UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-34703

Alimera Sciences, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**20-0028718**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
6310 Town Square, Suite 400 Alpharetta, GA	**30005**
(Address of principal executive offices)	**(Zip Code)**

(678) 990-5740

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	ALIM	The Nasdaq Stock Market LLC (Nasdaq Global Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	x	Smaller reporting company	x
		Emerging growth company	o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of May 9, 2024, there were 52,388,513 shares of the registrant's $0.01 par value Common Stock issued and outstanding.

ALIMERA SCIENCES, INC.
QUARTERLY REPORT ON FORM 10-Q

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND PROJECTIONS

Various statements in this report of Alimera Sciences, Inc. ("we," "our," "Alimera" or the "Company") are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this report, including statements regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. These statements are subject to risks and uncertainties (some of which are beyond our control) and are based on information currently available to our management. Words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "forecast," "outlook," "contemplates," "predict," "project," "aim," "seek," "target," "likely," "remain," "potential," "continue," "ongoing," "will," "will likely result," "will continue," "would," "should," "could," or the variation or the negative of these terms and similar expressions or words, identify forward-looking statements. The events and circumstances reflected in our forward-looking statements may not occur and actual results could differ materially from those projected in our forward-looking statements.

All written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We caution investors not to rely on the forward-looking statements we make or that are made on our behalf as predictions of future events. We undertake no obligation and specifically decline any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

We encourage you to read management's discussion and analysis of our financial condition and results of operations and our accompanying unaudited interim condensed consolidated financial statements and notes thereto ("Interim Financial Statements") contained in this Quarterly Report on Form 10-Q and our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023. There can be no assurance that we will in fact achieve the actual results or developments we anticipate or, even if we do substantially realize them, that they will have the expected consequences to, or effects on, us. Therefore, we can give no assurances that we will achieve the outcomes stated in those forward-looking statements, projections and estimates.

PART I. FINANCIAL INFORMATION
ITEM 1. Financial Statements
ALIMERA SCIENCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	March 31, 2024	December 31, 2023
	(In thousands, except share and per share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 14,314	$ 12,058
Restricted cash	32	32
Accounts receivable, net	34,224	34,545
Prepaid expenses and other current assets	3,693	3,909
Inventory	2,206	1,879
Total current assets	54,469	52,423
Property and equipment, net	2,377	2,466
Right-of-use assets, net	1,060	1,124
Intangible assets, net	94,471	97,355
Deferred tax asset	102	104
Warrant asset	6	52
Total assets	$ 152,485	$ 153,524
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 10,308	$ 8,252
Accrued expenses	4,779	6,192
Accrued licensor payment	5,482	7,275
Finance lease obligations	220	194
Total current liabilities	20,789	21,913
Long-term liabilities:		
Notes payable, net of discount	69,436	64,489
Accrued licensor payments	15,616	15,136
Other non-current liabilities	5,991	5,816
Total liabilities	111,832	107,354
Commitments and contingencies (notes 8 and 15)		
Stockholders' equity:		
Preferred stock, $.01 par value — 10,000,000 shares authorized at March 31, 2024 and December 31, 2023, none issued	—	—
Common stock, $.01 par value — 150,000,000 shares authorized, 52,374,687 shares issued and outstanding at March 31, 2024 and 52,354,450 shares issued and outstanding at December 31, 2023	524	524
Common stock warrants	4,396	4,396
Additional paid-in capital	463,328	462,446
Accumulated deficit	(424,741)	(418,490)
Accumulated other comprehensive loss	(2,854)	(2,706)
Total stockholders' equity	40,653	46,170
Total liabilities and stockholders' equity	$ 152,485	$ 153,524

See Notes to Unaudited Interim Condensed Consolidated Financial Statements ("Interim Financial Statements")

ALIMERA SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
	(In thousands, except share and per share data)	
Net revenue	$ 23,011	$ 13,546
Cost of goods sold, excluding depreciation and amortization	(3,353)	(2,028)
Gross profit	19,658	11,518
Operating expenses:		
Research, development and medical affairs expenses	4,361	4,164
General and administrative expenses	5,432	4,171
Sales and marketing expenses	9,082	5,804
Depreciation and amortization	3,085	681
Total operating expenses	21,960	14,820
Loss from operations	(2,302)	(3,302)
Interest expense and other, net	(3,739)	(1,667)
Unrealized foreign currency loss, net	(196)	(13)
Change in fair value of warrant asset	(46)	14
Net loss before income taxes	(6,283)	(4,968)
Income tax benefit	32	—
Net loss	(6,251)	(4,968)
Preferred stock dividends	—	(14)
Net loss applicable to common stockholders	$ (6,251)	$ (4,982)
Net loss per share — basic and diluted	$ (0.12)	$ (0.71)
Weighted average shares outstanding — basic and diluted	54,356,828	7,032,231

See Notes to Interim Financial Statements.

ALIMERA SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Net loss	$ (6,251)	$ (4,968)
Other comprehensive (loss) income:		
Foreign currency translation adjustments	(148)	172
Total other comprehensive (loss) income	(148)	172
Comprehensive loss	$ (6,399)	$ (4,796)

See Notes to Interim Financial Statements.

ALIMERA SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Cash flows from operating activities:		
Net loss	$ (6,251)	(4,968)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,085	681
Provision for credit losses	176	871
Unrealized foreign currency transaction gain, net	196	13
Amortization of debt discount and deferred financing costs	246	282
Stock-based compensation expense	845	226
Change in fair value of warrant asset	46	(14)
Changes in assets and liabilities:		
Accounts receivable	(89)	430
Prepaid expenses and other current assets	217	70
Inventory	(333)	397
Accounts payable	2,108	(434)
Accrued expenses and other current liabilities	(1,292)	215
Other long-term liabilities	480	22
Net cash used in operating activities	(566)	(2,209)
Cash flows from investing activities:		
Purchases of property and equipment	(21)	(9)
Net cash used in investing activities	(21)	(9)
Cash flows from financing activities:		
Repurchase of Series A Preferred Stock	—	(938)
Proceeds from issuance of Series B Convertible Preferred Stock	—	12,000
Series B Convertible Preferred Stock issuance costs	—	(498)
Proceeds from exercise of stock options	37	—
Repurchase of common stock	—	(314)
Issuance of debt	5,000	2,500
Payment of debt costs	(62)	(2,625)
Payment of accrued licensor obligations	(1,875)	—
Payment of finance lease obligations	(133)	(127)
Net cash provided by financing activities	2,967	9,998
Effect of exchange rates on cash and cash equivalents and restricted cash	(124)	33
Net change in cash and cash equivalents and restricted cash	2,256	7,813
Cash and cash equivalents and restricted cash — beginning of period	12,090	5,304
Cash and cash equivalents and restricted cash — end of period	$ 14,346	$ 13,117
Supplemental cash flow information:		
Cash paid for interest	$ 1,790	$ 1,354
Cash paid for income taxes	$ 21	$ —
Supplemental noncash investing and financing activities:		
Note payable end of term payment accrued but unpaid	$ 3,625	$ 2,375

See Notes to Interim Financial Statements.

ALIMERA SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)

	Common Stock		Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Additional Paid-In Capital	Common Stock Warrants	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount	Shares	Amount					
2023					(In thousands, except share data)						
Balance, December 31, 2022	6,995,513	$ 70	600,000	$ 19,227	—	$ —	$ 378,238	$ —	$ (415,388)	$ (2,955)	$ (20,808)
Issuance of common stock, net of issuance costs	597,000	6	—	—	—	—	(6)	—	—	—	—
Repurchase of common stock	(200,919)	(2)	—	—	—	—	(312)	—	—	—	(314)
Repurchase of Preferred Stock - Series A	—	—	(600,000)	(19,227)	—	—	—	—	18,289	—	(938)
Issuance of Preferred Stock - Series B	—	—	—	—	12,000	7,714	—	—	—	—	7,714
Preferred stock dividends	—	—	—	—	—	14	—	—	(14)	—	—
Stock-based compensation expense	—	—	—	—	—	—	226	—	—	—	226
Net loss	—	—	—	—	—	—	—	—	(4,968)	—	(4,968)
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	—	172	172
Balance, March 31, 2023	7,391,594	$ 74	—	$ —	12,000	$ 7,728	$ 378,146	$ —	$ (402,081)	$ (2,783)	$ (18,916)
2024											
Balance, December 31, 2023	52,354,450	$ 524	—	$ —	—	$ —	$ 462,446	$ 4,396	$ (418,490)	$ (2,706)	$ 46,170
Issuance of common stock, net of issuance costs	7,112	—	—	—	—	—	—	—	—	—	—
Stock option exercises	13,125	—	—	—	—	—	37	—	—	—	37
Stock-based compensation expense	—	—	—	—	—	—	845	—	—	—	845
Net loss	—	—	—	—	—	—	—	—	(6,251)	—	(6,251)
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	—	(148)	(148)
Balance, March 31, 2024	52,374,687	$ 524	—	$ —	—	$ —	$ 463,328	$ 4,396	$ (424,741)	$ (2,854)	$ 40,653

See Notes to Interim Financial Statements.

ALIMERA SCIENCES, INC.

NOTES TO CONDENSED CONSOLIDATED STATEMENTS

1. NATURE OF OPERATIONS

Alimera Sciences, Inc., together with its wholly-owned subsidiaries (the "Company"), is a global pharmaceutical company that specializes in the commercialization and development of ophthalmic retinal pharmaceuticals. The Company was formed on June 4, 2003, under the laws of the State of Delaware.

The Company presently focuses on diseases affecting the retina, because the Company believes these diseases are not well treated with current therapies and affect millions of people globally. The Company's commercialized products are ILUVIEN® (fluocinolone acetonide intravitreal implant) 0.19 mg, which has received marketing authorization and reimbursement in the United States and 24 countries for the treatment of diabetic macular edema ("DME") and YUTIQ® (fluocinolone acetonide intravitreal implant) 0.18 mg, available in the U.S. for the treatment and prevention of non-infectious uveitis affecting the posterior segment of the eye ("NIU-PS").

In the U.S. and certain other countries outside Europe, ILUVIEN is indicated for the treatment of DME in patients who have been previously treated with a course of corticosteroids and did not have a clinically significant rise in intraocular pressure. In 17 countries in Europe, ILUVIEN is indicated for the treatment of vision impairment associated with chronic DME considered insufficiently responsive to available therapies. In addition, ILUVIEN has received marketing authorization in 17 European countries and reimbursement in ten countries for the prevention of relapse in recurrent NIU-PS.

The Company markets ILUVIEN directly in the U.S., Germany, the United Kingdom ("U.K."), Portugal and Ireland. In addition, the Company has entered into various agreements under which distributors are providing or will provide regulatory, reimbursement and sales and marketing support for ILUVIEN in Austria, Belgium, the Czech Republic, Denmark, Finland, France, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden, Switzerland, Australia, New Zealand and several countries in the Middle East. In addition, the Company has granted an exclusive license to Ocumension Therapeutics ("Ocumension") for the development and commercialization of the Company's 0.19 mg fluocinolone acetonide intravitreal injection in China, East Asia and the Western Pacific. As of March 31, 2024, the Company has recognized sales of ILUVIEN to its international distributors in the Middle East, China, Austria, Belgium, Czech Republic, France, Italy, Luxembourg, Spain, the Netherlands, and certain Nordic countries.

In the U.S., YUTIQ is indicated for the treatment and prevention of chronic NIU-PS of the eye. The Company has the rights to commercialize YUTIQ under a product rights agreement dated May 17, 2023 (the "Product Rights Agreement") with EyePoint Pharmaceuticals, Inc. ("EyePoint Parent") in the entire world, except Europe, the Middle East and Africa, as the Company had previously licensed from EyePoint Pharmaceuticals US, Inc. ("EyePoint") rights in those territories to certain products, which included YUTIQ (known as ILUVIEN in Europe, the Middle East and Africa) for the prevention of relapse in recurrent NIU-PS (see Note 4). The Product Rights Agreement also excludes any rights to YUTIQ for the treatment and prevention of chronic NIU-PS in China and certain other countries and regions in Asia, which rights are subject to a pre-existing exclusive license between EyePoint Parent and Ocumension.

2. BASIS OF PRESENTATION

The Company has prepared the accompanying unaudited interim condensed consolidated financial statements and notes thereto ("Interim Financial Statements") in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8-03 of Regulation S-X of the Securities and Exchange Commission ("SEC"). Accordingly, these Interim Financial Statements do not include all of the information and disclosures required by U.S. GAAP for complete financial statements. In the opinion of the Company's management, the accompanying Interim Financial Statements reflect all adjustments, which include normal recurring adjustments, necessary to present fairly the Company's interim financial information.

The accompanying Interim Financial Statements and related notes should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2023, and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on March 8, 2024 (the "2023 Form 10-K"). The financial results for any interim period are not necessarily indicative of the expected financial results for the full year.

As of March 31, 2024, and December 31, 2023, the Company had approximately $14.3 million and $12.1 million in cash and cash equivalents, respectively. The Company anticipates its commercial operations will generate sufficient cash flow, combined with the Company's current financial assets, to fund all conditional and unconditional financial obligations for at least the next 12 months.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed for quarterly financial reporting are the same as those disclosed in the Notes to Financial Statements included in the 2023 Form 10-K. Certain of the Company's more significant accounting policies adopted in the current year are as follows:

Acquisition of Intangible Assets

The Company accounts for the acquisition of pharmaceutical product licenses as an asset acquisition in accordance with *Business Combinations (Topic 805) – Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* ("ASC 805"). ASC 805 specifies that if substantially all of the fair value of the gross assets acquired in a transaction are concentrated in a single identifiable asset or group of similar identifiable assets, then the set is not a business and is recorded as an asset acquisition. Under this model, the Company assigns the cost of the transaction to the acquired tangible assets, to the identified intangible assets and liabilities, and to any above or below-market contracts. The purchase price, including the direct amounts paid for the net assets in the transaction and any acquisition costs incurred that relate directly to the acquisition, is assigned based on the relative fair values of the assets acquired and liabilities assumed. The fair value of any identified intangible assets is determined at the acquisition date based on inputs and other factors based on market participants.

Foreign Currency Translation

The financial statements of each of the Company's subsidiaries with a functional currency other than the U.S. dollar are translated into U.S. dollars using period-end exchange rates for assets and liabilities, historical exchange rates for stockholders' equity and weighted average exchange rates for operating results. Translation gains and losses are included in accumulated other comprehensive income (loss) in stockholders' equity. Foreign currency transaction gains and losses are included in other (expense) income, net in the results of operations.

Adoption of New Accounting Standards

In June 2022, the Financial Accounting Standards Board ("FASB") issued ASU No. 2022-03, *Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. This standard clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. This standard became effective for the Company on January 1, 2024. The adoption of this ASU did not have a material impact on the Company's financial statements.

In November 2023 the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures*. This standard requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items to reconcile to segment profit or loss and the title and position of the entity's CODM. The amendments in this update also expand the interim segment disclosure requirements. All disclosure requirements under this standard are also required for public entities with a single reportable segment. This standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and the amendments in this update are required to be applied on a retrospective basis. This standard became effective for the Company on January 1, 2024. The adoption of this ASU did not have a material impact on the Company's financial statements and related disclosures.

Accounting Standards Issued but Not Yet Effective

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848) - Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"). This standard provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The standard is available until December 31, 2022. In December 2022, the FASB issued ASU No. 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848,* which extended the period of time preparers can utilize the reference rate reform relief guidance in ASU 2020-04. The guidance ensures the relief in ASU 2020-04 covers the period of time during which a significant number of modifications may take place and the ASU defers the sunset date of ASU 2020-04 from December 31, 2022, to December 31, 2024. The Company does not anticipate the adoption of this ASU will have a material impact on its financial statements.

In October 2023, the FASB issued ASU No. 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative* ("ASU 2023-06"). This standard modifies the disclosure or presentation requirements of a variety of topics and aligns requirements with the SEC's existing disclosure requirements. ASU 2023-06 is effective on the date each amendment is removed from Regulation S-X or Regulation S-K with early adoption prohibited. The amendments in ASU 2023-06 will be applied prospectively in the consolidated financial statements. The Company is currently evaluating the timing of its adoption of this standard and the impact on its financial statements.

In December 2023, ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09") requires public business entities to disclose on an annual basis additional information in specified categories with respect to the reconciliation of the effective tax rate to the statutory rate for federal, state, and foreign income taxes. It also requires greater detail about individual reconciling items in the rate reconciliation to the extent the impact of those items exceeds a specified threshold. In addition, ASU 2023-09 requires disclosure pertaining to taxes paid, net of refunds received, to be disaggregated for federal, state, and foreign taxes and further disaggregated for specific jurisdictions to the extent the related amounts exceed a quantitative threshold. ASU 2023-09 is effective for the Company for the

annual period beginning on January 1, 2025. Early adoption is permitted. ASU 2023-09 should be applied on a prospective basis. However, companies have the option to apply the standard retrospectively. The Company is currently evaluating the potential impact that this new standard will have on its financial statements and related disclosures.

4. REVENUE RECOGNITION

Overview

The Company recognizes revenue when a customer obtains control of the related good or service pursuant to ASC 606, *Revenue from Contracts with Customers*. The amount recognized reflects the consideration the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the Company performs the following steps as outlined in the guidance: (1) identify the contract with the customer, (2) identify the performance obligations within the contract, (3) determine the net sales price ("transaction price"), (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when the entity satisfies a performance obligation. At the inception of a contract, the contract is evaluated to determine if it falls within the scope of ASC 606, followed by the Company's assessment of the goods or services promised within each contract, assessment of whether the promised good or service is distinct and determination of the performance obligations. The Company then recognizes revenue based on the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied.

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price based on the estimated relative standalone selling prices of the promised products or services underlying each performance obligation. The Company determines standalone selling prices based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, the Company estimates the standalone selling price taking into account available information such as market conditions related to the performance obligations.

Product Revenue

The Company sells its products to major pharmaceutical distributors, pharmacies, hospitals and wholesalers (collectively, its "Customer(s)"). In addition to distribution agreements with Customers, the Company enters into arrangements with healthcare providers and payors that provide for government-mandated and/or privately negotiated rebates, chargebacks, and discounts with respect to the purchase of the Company's products. The Company recognizes revenues from product sales at a point in time when the Customer obtains control, typically upon delivery. The Company accrues for fulfillment costs when the related revenue is recognized. Taxes collected from Customers relating to product sales and remitted to governmental authorities are excluded from revenues.

Estimates of Variable Consideration

Revenues from product sales are recorded at the transaction price, which includes estimates of variable consideration for reserves related to statutory rebates to State Medicaid and other government agencies; commercial rebates and fees to Managed Care Organizations, Group Purchasing Organizations, distributors, and specialty pharmacies; product returns; sales discounts (including trade discounts); distributor costs; wholesaler chargebacks; and allowances for patient assistance programs relating to the Company's sales of its products.

These reserves are based on estimates of the amounts earned or to be claimed on the related sales. Management's estimates take into consideration historical experience, current contractual and statutory requirements, specific known market events and trends, industry data, and Customer buying and payment patterns. Overall, these reserves reflect the Company's best estimates of the amount of consideration to which it is entitled based on the terms of the contract. The amount of variable consideration included in the net sales price is limited to the amount that is probable not to result in a significant reversal in the amount of the cumulative revenue recognized in a future period. If actual results vary, the Company may adjust these estimates, which could have an effect on earnings in the period of adjustment.

With respect to the Company's international contracts with third-party distributors, certain contracts have elements of variable consideration, and management reviews those contracts on a regular basis and makes estimates of revenue based on historical ordering patterns and known market events and data. The amount of variable consideration included in net sales in each period could vary depending on the terms of these contracts and the probability of reversal in future periods.

Consideration Payable to Customers

Distribution service fees are payments issued to distributors for compliance with various contractually defined inventory management practices or services provided to support patient access to a product. Distribution service fees reserves are based on the terms of each individual contract and are classified within accrued expenses and are recorded as a reduction of revenue.

Product Returns

The Company's policies provide for product returns in the following circumstances: (a) expiration of shelf life on certain products; (b) product damaged while in the Customer's possession; and (c) following product recalls. Generally, returns for expired product are accepted three months before and up to one year after the expiration date of the related product, and the related product is destroyed after it is returned. The Company may, at its option, either refund the sales price paid by the Customer by issuing a credit or exchange of the returned product for replacement inventory. The Company typically does not provide cash refunds. The Company estimates the proportion of recorded revenue that will result in a return by considering relevant factors, including historical returns experience, the estimated level of inventory in the distribution channel, the shelf life of products, and product recalls, if any.

The estimation process for product returns involves, in each case, several interrelating assumptions, which vary for each Customer. The Company estimates the amount of its product sales that may be returned by its Customers and records this estimate as a reduction of revenue from product sales in the period the related revenue is recognized, and because this returned product cannot be resold, there is no corresponding asset for product returns. Through the date of the Interim Financial Statements, product returns have been minimal.

Collaboration and License Revenue

The Company enters into agreements in which it licenses certain rights to its products to partner companies that act as distributors. The terms of these agreements may include payment to the Company of one or more of the following: non-refundable up-front license fees, milestone payments if specified objectives are achieved, and/or royalties on product sales. The Company recognizes revenue from upfront payments at a point in time, typically upon fulfilling the delivery of the associated intellectual property to the customer.

Contracts that contain multiple performance obligations require an allocation of the transaction price based on the estimated relative standalone selling prices of the promised products or services underlying each performance obligation. The Company determines standalone selling prices based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, the Company estimates the standalone selling price taking into account available information such as market conditions related to the performance obligations.

The Company will recognize sales-based milestone payments as revenue upon the achievement of the cumulative sales amount specified in the contract in accordance with ASC 606. For those milestone payments which are contingent on the occurrence of particular future events, the Company determines that these need to be considered for inclusion in the calculation of total consideration from the contract as a component of variable consideration using the expected value method. As such, the Company assesses each milestone to determine the probability of and substance behind achieving each milestone. Given the inherent uncertainty associated with these future events, the Company will not recognize revenue from such milestones until there is a high probability of occurrence, which typically occurs near or upon achievement of the event.

Customer Payment Obligations

The Company receives payments from its Customers based on billing schedules established in each contract, which vary across the Company's locations, but generally range between 30 to 120 days. Occasionally, the Company offers extended payment terms or payment term discounts to certain Customers. Amounts are recorded as accounts receivable when the Company's right to consideration is unconditional. The Company does not assess whether a contract has a significant financing component if the expectation is that the Customer will pay for the product or services within one year or less of receiving those products or services.

Accounts Receivable, net

Accounts receivable are generated through sales primarily to major pharmaceutical distributors, pharmacies, hospitals and wholesalers. The Company does not require collateral from its customers for accounts receivable. The carrying amount of accounts receivable is reduced by an allowance for expected credit losses that reflects management's best estimate of the amounts that will not be collected. Management considers many factors in assessing the need for an allowance for expected credit losses, including the length of time trade accounts receivable are past due, the customer's ability to pay its obligation, customer types, credit worthiness and the condition of the general economy and the industry as a whole. From time to time, management may adjust its assumptions for anticipated changes in any of those or other factors expected to affect collectability.

The Company writes off accounts receivable when management determines they are uncollectable and credits payments subsequently received on such receivables to bad debt expense in the period received. As of March 31, 2024 and 2023, the Company had $0.2 million reserved for expected credit losses. During the three months ended March 31, 2024 and 2023, the Company reserved for $0.2 million and $0.9 million for expected credit losses, respectively.

Allowance for doubtful accounts consisted of the following as of March 31, 2024 and 2023, respectively:

	March 31,	
	2024	2023
	(In thousands)	
Beginning balance	$ 1,222	$ —
Provision for credit losses	176	871
Write-off of bad debt	(1,212)	(686)
Ending Balance	$ 186	$ 185

5. LEASES

The Company evaluates all of its contracts to determine whether it is or contains a lease component under FASB ASC 842 – *Leases* ("ASC 842"). Upon adoption of ASC 842, the Company elected the transition package of three practical expedients permitted within the standard. In accordance with the package of practical expedients, the Company did not reassess initial direct costs, lease determination and classification for existing leases. The Company made an accounting policy election not to recognize right of use assets and liabilities for leases with a term of 12 months or less, or those that do not meet the Company's capitalization threshold, unless the leases include options to renew or purchase the underlying asset that are reasonably certain to be exercised. Lease costs associated with those leases are recognized as incurred. The Company has also chosen the practical expedient that allows it to combine lease and non-lease components as a single lease component.

Lease renewal options are not recognized as part of the lease liability until the Company determines it is reasonably certain it will exercise any applicable renewal options. The Company has determined that it is not reasonably certain it will exercise any applicable renewal options. Accordingly, the Company has not recorded any liability for renewal options in these consolidated financial statements. The useful lives of leased assets as well as leasehold improvements, if any, are limited by the expected lease term.

Operating Leases

The Company's operating lease activities primarily consist of leases for office space in the U.S., the U.K., Ireland, Portugal and Germany. Most of these leases include options to renew, with renewal terms generally ranging from one to eight years. The exercise of lease renewal options is at the Company's sole discretion. Certain of the Company's operating lease agreements include variable lease costs that are based on common area maintenance and property taxes. The Company expenses these payments as incurred. The Company's operating lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Supplemental balance sheet information as of March 31, 2024 and December 31, 2023 for the Company's operating leases is as follows:

	March 31, 2024	December 31, 2023
	(In thousands)	
Non-current assets:		
Right-of-use assets, net	$ 1,060	$ 1,124
Total lease assets	$ 1,060	$ 1,124
Current liabilities:		
Accrued expenses	$ 584	$ 634
Non-current liabilities:		
Other non-current liabilities	1,759	1,826
Total lease liabilities	$ 2,343	$ 2,460

The Company's operating lease cost for the three months ended March 31, 2024 and 2023 was $0.1 million for both periods, and is included in general and administrative expenses in its condensed consolidated statement of operations.

As of March 31, 2024, a schedule of maturity of lease liabilities under all of the Company's operating leases is as follows:

Years Ending December 31	(In thousands)
2024 (remaining)	$ 489
2025	474
2026	488
2027	503
2028	518
Thereafter	534
Total	3,006
Less amount representing interest	(663)
Present value of minimum lease payments	2,343
Less current portion (as a portion of accrued expenses)	(584)
Non-current portion (as a portion of other non-current liabilities)	$ 1,759

For the three months ended March 31, 2024 and 2023, cash paid for operating leases was $0.2 million for both periods. No right-of-use assets were obtained in connection with operating leases for the three months ended March 31, 2024 or 2023.

As of March 31, 2024, the weighted average remaining lease terms of the Company's operating leases was 5.5 years. The weighted average discount rate used to determine the lease liabilities was 9.5%.

Finance Leases

The Company's finance lease activities primarily consist of leases for office equipment and automobiles. Property and equipment leases are capitalized at the lesser of fair market value or the present value of the minimum lease payments at the inception of the leases using the Company's incremental borrowing rate. The Company's finance lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Supplemental balance sheet information as of March 31, 2024 and December 31, 2023 for the Company's finance leases is as follows:

	March 31, 2024	December 31, 2023
	(In thousands)	
Non-current assets:		
Property and equipment, net	$ 580	$ 554
Total lease assets	$ 580	$ 554
Current liabilities:		
Finance lease obligations	$ 220	$ 194
Non-current liabilities:		
Finance lease obligations - less current portion	256	256
Total lease liabilities	$ 476	$ 450

Depreciation expense associated with property and equipment under finance leases was approximately $0.1 million for both the three months ended March 31, 2024 and 2023. Interest expense associated with finance leases was less than $0.1 million for both the three months ended March 31, 2024 and 2023.

As of March 31, 2024, a schedule of maturity of lease liabilities under finance leases, together with the present value of minimum lease payments, is as follows:

Years Ending December 31	(In thousands)
2024 (remaining)	$ 259
2025	252
2026	144
2027	3
Total	658
Less amount representing interest	(182)
Present value of minimum lease payments	476
Less current portion	(220)
Non-current portion	$ 256

Cash paid for finance leases was $0.1 million during both of the three months ended March 31, 2024 and 2023. The Company acquired

$0.1 million of property and equipment in exchange for finance leases during both of the three months ended March 31, 2024 and 2023.

As of March 31, 2024, the weighted average remaining lease terms of the Company's finance leases was 1.3 years. The weighted average discount rate used to determine the finance lease liabilities was 10.1%.

6. INVENTORY

Inventories are stated at the lower of cost or net realizable value with cost determined under the first in, first out ("FIFO") method. Included in inventory costs are component parts, work-in-progress and finished goods. The Company relies on third-party manufacturers for the production of all inventory and does not capitalize any internal costs. The Company periodically reviews inventories for excess, obsolete or expiring inventory and writes down obsolete or otherwise unmarketable inventory to its estimated net realizable value in the period in which the impairment is identified.

As of March 31, 2024 and December 31, 2023, inventory consisted of the following:

	March 31, 2024	December 31, 2023
	(In thousands)	
Component parts [1]	$ 554	$ 688
Work-in-process [2]	193	134
Finished goods	1,459	1,057
Total Inventory	$ 2,206	$ 1,879

(1) Component parts inventory consists of manufactured components of the ILUVIEN applicator.

(2) Work-in-process consists of completed units of ILUVIEN that are undergoing, but have not completed, quality assurance testing as required by U.S. or European Economic Area regulatory authorities.

7. INTANGIBLE ASSETS

ILUVIEN Intangible Asset

As a result of the U.S. Food and Drug Administration's approval of ILUVIEN in September 2014, the Company was required to pay a milestone payment of $25.0 million (the "EyePoint Milestone Payment") to EyePoint in October 2014 (see Note 8).

The gross carrying amount of the ILUVIEN intangible asset is $25.0 million, which is being amortized over approximately 13 years from the acquisition date. The amortization expense related to the ILUVIEN intangible asset was approximately $0.5 million for each of the three months ended March 31, 2024 and 2023. The net book value of the ILUVIEN intangible asset was $6.5 million and $7.0 million as of March 31, 2024 and December 31, 2023, respectively.

The estimated remaining amortization of the ILUVIEN intangible asset as of March 31, 2024, is denoted in the following:

Years Ending December 31	(In thousands)
2024 (remaining)	$ 1,462
2025	1,940
2026	1,940
2027	1,191
Total	$ 6,533

YUTIQ Intangible Asset

On May 17, 2023, the Company was granted an exclusive and sublicensable right and license, pursuant to the Product Rights Agreement to commercialize YUTIQ for the treatment and prevention of uveitis in the entire world, except Europe, the Middle East and Africa (where ILUVIEN is utilized), excluding any rights for the treatment and prevention of chronic NIU-PS of the eye in China and certain other countries and regions in Asia, which rights are subject to a pre-existing exclusive license between EyePoint and Ocumension Therapeutics. As a result, the Company paid EyePoint Parent an upfront payment of $75.0 million and will make four quarterly additional guaranteed payments to EyePoint Parent totaling $7.5 million in 2024. Also, the Company will pay royalties starting in 2025 through 2028 (see Note 8). The present value of the 2024 quarterly payments and the present value of estimated royalties payable to EyePoint Parent for years 2025 to 2028 is included in the cost of the intangible the Company recorded. The estimated royalties will continue to be revalued at each reporting date until they are settled.

As of March 31, 2024, the gross carrying amount of the YUTIQ intangible asset is $96.4 million, which is being amortized over 10 years. The net book value of the YUTIQ intangible asset was $87.9 million and $90.3 million as of March 31, 2024 and December 31, 2023, respectively. The amortization expense related to the YUTIQ intangible was $2.4 million for the three months ended March 31, 2024.

The estimated remaining amortization of the YUTIQ intangible asset as of March 31, 2024 is as follows (in thousands):

Years Ending December 31	(In thousands)
2024 (remaining)	$ 7,253
2025	9,627
2026	9,627
2027	9,627
2028	9,654
Thereafter	42,150
Total	$ 87,938

8. LICENSE AGREEMENTS

EyePoint Agreements

In February 2005, the Company entered into an agreement with EyePoint for the use of fluocinolone acetonide ("FAc") in EyePoint's proprietary insert technology. This agreement was subsequently amended several times (as amended, the "EyePoint Agreement"). The EyePoint Agreement provides the Company with a worldwide exclusive license to utilize certain underlying technology used in the development and commercialization of ILUVIEN.

On July 10, 2017, the Company and EyePoint entered into a Second Amended and Restated Collaboration Agreement (the "New Collaboration Agreement"), which amended and restated the EyePoint Agreement. The New Collaboration Agreement expanded the license to include uveitis, including NIU-PS, in Europe, the Middle East and Africa and also allows the Company to pursue an indication for NIU-PS for ILUVIEN in those territories. The New Collaboration Agreement converted the Company's obligation to share 20% of its net profits to a royalty payable on global net revenues of ILUVIEN. The Company began paying a 2% royalty on net revenues and other related consideration to EyePoint on July 1, 2017. This royalty amount increased to 6% effective December 12, 2018. Pursuant to the New Collaboration Agreement, the Company is required to pay an additional 2% royalty on global net revenues and other related consideration in excess of $75 million in any year.

On December 17, 2020, EyePoint entered into a royalty purchase agreement (the "SWK Agreement") with SWK Funding, LLC ("SWK"). Pursuant to the SWK Agreement, EyePoint sold its interest in royalties that the Company is obligated to pay EyePoint under the New Collaboration Agreement. The Company is not a party to the SWK Agreement.

In connection with a previous agreement with EyePoint, the Company was entitled to recover commercialization costs that were incurred prior to profitability of ILUVIEN and offset a portion of future payments owed to EyePoint in connection with sales of ILUVIEN with those accumulated commercialization costs, referred to as the "Future Offset." Following the signing of the New Collaboration Agreement, the Company retained the right to recover up to $15.0 million of the Future Offset. In March 2019, pursuant to the New Collaboration Agreement, the Company forgave $5.0 million of the Future Offset in connection with the approval of ILUVIEN for NIU-PS in the U.K. As of March 31, 2024 and December 31, 2023, the balance of the Future Offset was approximately $6.4 million and $6.5 million, respectively, which was fully reserved. The Company is able to recover the balance of the Future Offset as a reduction of future royalties that would otherwise be owed to EyePoint by reducing the royalty from 6% to 5.2% for net revenues and other related consideration up to $75.0 million annually and from 8% to 6.8% for net revenues and other related consideration in excess of $75.0 million on an annual basis.

On May 17, 2023, the Company entered into a product rights agreement with EyePoint Parent which grants the Company an exclusive and sublicensable right and license under EyePoint Parent's and its affiliates' interest in certain of EyePoint Parent's and its affiliates' intellectual property to develop, manufacture, sell, commercialize and otherwise exploit certain products, including YUTIQ, for the treatment and prevention of uveitis in the entire world, except Europe, the Middle East and Africa, where the Company already has such rights pursuant to the New Collaboration Agreement, and except for China, Hong Kong, Macau, Taiwan, Brunei, Burma (Myanmar), Cambodia, Timor-Leste, Indonesia, Laos, Malaysia, the Philippines, Singapore, South Korea, Thailand and Vietnam, where Ocumension holds a license from EyePoint Parent. Pursuant to the agreement, the Company paid EyePoint Parent an upfront payment of $75.0 million and will also make four quarterly guaranteed payments to EyePoint Parent totaling $7.5 million during 2024. The Company will also pay royalties to EyePoint Parent from 2025 to 2028 at a percentage of mid-to-low double digits of annual U.S. net sales of certain products (including YUTIQ and ILUVIEN) in excess of certain thresholds, beginning at $70.0 million in 2025, increasing annually thereafter. Upon making the quarterly payments in the aggregate amount of $7.5 million in 2024, the licenses and rights granted to the Company will automatically become perpetual and irrevocable. For the quarter ended March 31, 2024, the Company paid the first quarterly payment of $1.9 million. The present value of the 2024 quarterly payments and the present value of estimated royalties payable to EyePoint Parent for years 2025 to 2028 is included in the cost of the intangible the Company recorded. The estimated royalties will continue to be revalued at each reporting date until they are settled.

Concurrently in May 2023, the Company also entered into a commercial supply agreement (the "Supply Agreement") with EyePoint Parent pursuant to which, during the term of the Product Rights Agreement, EyePoint Parent will be responsible for manufacturing and

exclusively supplying (subject to certain exceptions) to agreed-upon quantities of YUTIQ necessary for the Company to commercialize YUTIQ in the U.S. at certain cost-plus amounts, subject to adjustments. EyePoint Parent's manufacture and supply of YUTIQ will be exclusive (subject to certain exceptions) until the Company has the ability to manufacture and supply YUTIQ for commercialization in the U.S. The term of the Supply Agreement is for a period of two years through May 2025 and thereafter automatically renews for successive one-year terms unless either party provides notice of non-renewal to the other party within a specified period of time prior to the beginning of the next automatic renewal term, provided that the Supply Agreement automatically terminates upon the successful completion of the transfer of manufacturing for YUTIQ to the Company or its designee. The Supply Agreement also automatically terminates upon termination of the Product Rights Agreement.

The Company's license rights to EyePoint's proprietary delivery device could revert to EyePoint if the Company were to: (i) fail twice to cure its breach of an obligation to make certain payments to EyePoint following receipt of written notice thereof; (ii) fail to cure other breaches of material terms of the EyePoint Agreement within 30 days after notice of such breaches or such longer period (up to 90 days) as may be reasonably necessary if the breach cannot be cured within such 30-day period; (iii) file for protection under the bankruptcy laws, make an assignment for the benefit of creditors, appoint or suffer appointment of a receiver or trustee over its property, file a petition under any bankruptcy or insolvency act or have any such petition filed against it and such proceeding remains undismissed or unstayed for a period of more than 60 days; or (iv) notify EyePoint in writing of its decision to abandon its license with respect to a certain product using EyePoint's proprietary insert technology.

For the three months ended March 31, 2024 and 2023, the Company recognized approximately $0.9 million and $0.7 million of royalty expense, respectively, which is included in cost of goods sold. As of March 31, 2024 and 2023, approximately $0.9 million and $0.7 million of this royalty expense was included in the Company's accounts payable, respectively.

Ocumension License Agreement

On April 14, 2021, the Company entered into an exclusive license agreement (the "License Agreement") with Ocumension (Hong Kong) Limited ("Ocumension HK"), a wholly owned subsidiary of Ocumension, for the development and commercialization under Ocumension HK's own brand name(s), either directly or through its affiliates or approved third-party sublicensees, of the Company's 190 microgram fluocinolone acetonide intravitreal implant in applicator (the "Product"; currently marketed in the United States, Europe, and the Middle East as ILUVIEN) for the treatment and prevention of eye diseases in humans, other than uveitis, in a specified territory. The territory is defined as the People's Republic of China, including Hong Kong SAR and Macau SAR, region of Taiwan, South Korea, Brunei, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam (the "Territory").

The Company received a nonrefundable upfront payment of $10.0 million from Ocumension HK and may in the future receive additional sales-based milestone payments totaling up to $89.0 million upon the achievement by Ocumension HK of certain specified sales milestones during the term of the License Agreement of the Product. The Company's receipt of future milestone payments depends upon whether Ocumension HK is able to successfully complete product development and commercialization in the Territory, which requires, among other things, obtaining necessary regulatory approvals and appropriate reimbursement pricing in the various countries and jurisdictions in the Territory, a process that may take several years.

The term of the License Agreement will continue (a) until the 10th anniversary of the latest first commercial sale of the Product in any country or jurisdiction in the Territory or (b) for as long as Ocumension HK is commercializing the Product in any part of the Territory, whichever is later. The term is subject to the Company's right to partially terminate the License Agreement beginning on the 10th anniversary of the effective date with respect to any country or jurisdiction in the Territory in which Ocumension has not achieved at the time of termination first commercial sale and is not continuing to commercialize the Product. Ocumension will purchase Product from the Company at a fixed transfer price without royalty obligation on future sale (other than milestone payments as described above). Ocumension HK is responsible for all costs of development and commercialization in the Territory.

For both of March 31, 2024 and December 31, 2023, the Company had approximately $0.4 million of deferred revenue under the Ocumension license agreement that will be recognized over the remaining term of the agreement once Ocumension begins to sell the Product under the License Agreement.

Ocumension Share Purchase Agreement

When the Company entered into the License Agreement, it also entered into a share purchase agreement and a warrant subscription agreement, which are discussed in Note 15.

9. LOAN AGREEMENTS

Loan Agreements with SLR Investment Corp. (formerly Solar Capital Ltd.)

On January 5, 2018, the Company entered into a $40.0 million loan and security agreement with SLR Investment Corp. ("SLR," also formerly known as Solar Capital Ltd.), as Collateral Agent, and the parties signatory thereto from time to time as "Lender(s)," including

Solar Capital Ltd. in its capacity as a Lender (the “2018 Loan Agreement”) and a related exit fee agreement (the “2018 Exit Fee Agreement”).

On December 31, 2019, the Company refinanced the 2018 Loan Agreement by entering into a $45.0 million loan and security agreement (the “2019 Loan Agreement”) and a related exit fee agreement (the “2019 Exit Fee Agreement”) with SLR, as Agent, and the parties signing the 2019 Loan Agreement from time to time as Lenders, including SLR in its capacity as a Lender. The Company has amended the 2019 Loan Agreement on multiple occasions, which are summarized as follows:

- On February 22, 2022, the Company entered into a Third Amendment to the 2019 Loan Agreement (the “Third Amendment”), which, among other things, amended the provisions relating to the minimum revenue amount that the Company must achieve at the end of each calendar quarter, as calculated on a trailing six-month basis (the “Revenue Covenant”).

- On December 7, 2022, the Company entered into a Fourth Amendment to the 2019 Loan Agreement (the “Fourth Amendment”), which, among other things, extended the amortization date from January 1, 2023 to April 1, 2023, and provided that such date might be further extended to July 1, 2023 upon the Company’s request and in consultation with the Lenders, in each of the Lenders' sole discretion. The Fourth Amendment also amended the provisions relating to the Revenue Covenant effective with the first calendar quarter in 2023.

- On March 24, 2023, the Company entered into a Fifth Amendment to the 2019 Loan Agreement (the “Fifth Amendment”) and a related Fifth Amendment Exit Fee Agreement (the “2023 Exit Fee Agreement”). Pursuant to the Fifth Amendment, the Lenders agreed to, among other things, (i) an additional tranche of $2.5 million to increase the Company’s existing term loan facility to $47.5 million, subject to certain closing conditions, (ii) extend availability of the amount of $15.0 million to be funded at the Lender’s sole discretion, and (iii) amended the Revenue Covenants to be effective for calendar quarters ending on or after March 31, 2023.

- On May 17, 2023, the Company entered into a Sixth Amendment to the 2019 Loan Agreement, (the “Sixth Amendment”). Pursuant to the Sixth Amendment, the Lenders agreed to, among other things, (i) an increase of the limit of availability from $15.0 million to $20.0 million, and (ii) amended the Revenue Covenants to be effective for calendar quarters ending on or after June 30, 2023. The Company received aggregate gross proceeds of $20.0 million upon execution of the Sixth Amendment.

- On March 6, 2024, Alimera entered into the Seventh Amendment to the 2019 Loan Agreement, (the “Seventh Amendment”). Pursuant to the Seventh Amendment, the Lenders agreed to, among other things, increase the amount available under the facility from $67.5 million to $72.5 million and funded an additional $5.0 million on March 6, 2024.

Interest on the 2019 Loan Agreement prior to the Fifth Amendment was payable at an annual rate the greater of (i) one-month LIBOR or (ii) 1.78%, plus 7.65% per annum. Interest on the 2019 Loan Agreement following the Fifth Amendment is payable at an annual rate equal to 5.15% plus the greater of (i) 4.60% or (ii) one-month SOFR, which will reset monthly. As of March 31, 2024 and December 31, 2023, the interest rate on the 2019 Loan Agreement was approximately 10.47% and 10.50%, respectively. The 2019 Loan Agreement provides for interest only payments until April 30, 2025, which may be extended an additional 12 months if the Company meets certain financial targets by April 20, 2025, followed by monthly payments of principal and interest through the loan maturity date of April 30, 2028. The Company met such financial targets during the year ended December 31, 2023, and provided there are no events of default as defined by the Loan Agreement on or prior to April 20, 2025, the Company anticipates being able to extend the interest only period for an additional 12 months.

The Company complied with the Revenue Covenant on March 31, 2024, expects to comply with the Revenue Covenant at the next reportable date, which is June 30, 2024, and the remainder of the Revenue Covenant through one year after these Interim Financial Statements are issued.

Exit Fee Agreements

2018 Exit Fee Agreement

Pursuant to the existing 2018 Exit Fee Agreement, the Company is obligated to pay an exit fee of up to $2.0 million upon the occurrence of an exit event, which generally means a “change in control” (as defined in the 2018 Exit Fee Agreement) and will survive the termination of the 2019 Loan Agreement and accompanying amendments with a term of 10 years. To the extent that the Company has not already paid the $2.0 million exit fee, the Company is also obligated to pay a fee of $1.0 million on achieving each of the following milestones:

- First, if the Company achieves revenues of $80.0 million or more from the sale of its ILUVIEN product in the ordinary course of business to third-party customers, measured on a trailing 12-month basis during the term of the agreement, tested at the end of each month; and

- Second, if the Company achieves revenues of $100.0 million or more from the sale of its ILUVIEN product in the ordinary course of business to third party customers, measured in the same manner.

2019 Exit Fee Agreement

Pursuant to the existing 2019 Exit Fee Agreement, the Company is obligated to pay an exit fee of up to a $0.7 million upon the occurrence of an exit event, which generally means a "change in control" (as defined in the 2019 Exit Fee Agreement) and will survive the termination of the 2019 Loan Agreement and accompanying amendments with a term of 10 years. To the extent that the Company has not already paid the $0.7 million exit fee, the Company is obligated to pay a fee of $0.3 million on achieving each of the following milestones:

- First, if the Company achieves revenues of $75.0 million or more from the sale of its ILUVIEN product in the ordinary course of business to third-party customers, measured on a trailing 12-month basis during the term of the agreement, tested at the end of each month; and

- Second, if the Company achieves revenues of $95.0 million or more from the sale of its ILUVIEN product in the ordinary course of business to third party customers, measured in the same manner.

2023 Exit Fee Agreement

Pursuant to the existing 2023 Exit Fee Agreement, the Company is obligated to pay 1.5% of the aggregate principal amount funded under the 2019 Loan Agreement and accompanying amendments (principal amount currently is $72.5 million) as an exit fee upon the occurrence of an exit event, which generally means a change in control, and will survive the termination of the 2019 Loan Agreement and accompanying amendments and has a term of 10 years. To the extent that the Company has not already paid the 1.5% (currently $1.1 million) of the aggregate principal amount funded under the 2019 Loan Agreement and accompanying amendments, the Company is obligated to pay a fee of 1.5% of the aggregate principal amount funded under the 2019 Loan Agreement and accompanying amendments upon achieving the following milestone:

- If the Company achieves revenues of $82.5 million or more from the sale of its ILUVIEN product in the ordinary course of business to third-party customers, measured on a trailing 12-month basis during the term of the agreement, tested at the end of each month.

On May 17, 2023, the Company amended the revenue criteria for all three exit fee agreements to include the sales of YUTIQ in the ordinary course of business to third-party customers. The exit fees payable pursuant to the Company's existing exit fee agreements will not exceed $3.8 million in total.

During the fourth quarter of 2023, the Company met one revenue milestone under the 2018 Exit Fee Agreement and one revenue milestone under the 2019 Exit Fee Agreement. Accordingly, the Company recognized $1.3 million of interest expense during the fourth quarter of 2023. For the three months ended March 31, 2024, the Company met one revenue milestone under the 2023 Exit Fee Agreement and recognized $1.1 million of interest expense. As of March 31, 2024, there was $2.4 million in exit fees included in accounts payable.

Modification of Debt

The Company capitalized approximately $2.6 million of deferred financing costs in connection with the Fifth and Sixth Amendments during 2023. In connection with the Seventh Amendment, the Company capitalized less than $0.1 million of deferred financing costs.

Extinguishment of Debt

In accordance with the guidance in ASC Subtopic 470-50, *Debt – Modifications and Extinguishments*, the Company entered into and accounted for the Sixth Amendment as an extinguishment of debt. The Company recognized a loss on extinguishment of $1.1 million in connection with the Sixth Amendment.

Fair Value of Debt

The weighted average interest rates of the Company's notes payable approximate the rate at which the Company could obtain alternative financing. Therefore, the carrying amount of the notes approximated their fair value at March 31, 2024 and December 31, 2023.

10. EARNINGS (LOSS) PER SHARE

The Company follows ASC 260, *Earnings Per Share* ("ASC 260"), which requires the reporting of both basic and diluted earnings per share ("EPS"). Because the Company's preferred stockholders participate in dividends equally with common stockholders (if the Company were to declare and pay dividends), the Company uses the two-class method to calculate EPS. However, the Company's preferred

stockholders are not contractually obligated to share in losses. The Company's preferred stock for Series A and Series B were eliminated in 2023 (see Note 11).

Basic net loss per share is calculated by dividing net loss by the weighted average shares of common stock outstanding during the period, without consideration for common stock equivalents. Diluted net loss per share is calculated by adjusting weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period. For purposes of the diluted net loss per share calculation, stock options, unvested restricted stock units and Employee Stock Purchase Plan ("ESPP") shares are considered to be common stock equivalents but are excluded from the calculation of diluted net loss per share, as their effect would be anti-dilutive; therefore, basic and diluted net loss per share were the same for all periods presented as a result of the Company's net loss.

The following common stock equivalents were excluded from the computation of diluted net loss per share for the years ended March 31, 2024 and 2023, respectively, because their inclusion would have had anti-dilutive effect:

	March 31,	
	2024	2023
Series B convertible preferred stock	—	5,714,286
Common stock warrants	1,600,000	5,714,286
Stock options	3,239,384	1,216,953
Restricted stock units ("RSUs")	1,769,638	35,050
Total	6,609,022	12,680,575

11. STOCKHOLDERS' EQUITY (DEFICIT)

Series A Convertible Preferred Stock

In October 2012, the Company closed its preferred stock financing in which it sold units consisting of 1,000,000 shares of Series A Convertible Preferred Stock ("Series A Preferred Stock") and warrants (which expired on October 1, 2017) to purchase 300,000 shares of Series A Preferred Stock for gross proceeds of $40.0 million prior to the payment of approximately $0.6 million of related issuance costs. The Company subsequently repurchased all of its outstanding Series A Preferred Stock on March 24, 2023. Following such repurchase, the Company filed a certificate of elimination of the Series A Preferred Stock with the Secretary of State of the State of Delaware. The authorized shares of Series A Preferred Stock were returned to the status of authorized but unissued shares of preferred stock of the Company, without designation as to series.

Series B Convertible Preferred Stock

In March 2023, the Company issued and sold an aggregate of 12,000 shares of Series B Convertible Preferred Stock at a purchase price of $1,000 per share and warrants to purchase common stock for aggregate gross proceeds of $12.0 million. In May 2023, the Company issued and sold an additional aggregate of 67,000 shares of Series B Convertible Preferred Stock at a purchase price of $1,000 per share and warrants to purchase common stock for aggregate gross proceeds of $67.0 million. On August 1, 2023, the Company amended the Certificate of Designation of Series B Convertible Preferred Stock to allow for the issuance of pre-funded warrants ("Pre-Funded Warrants") to certain holders of Series B Preferred Stock. Prior to such amendment, the Certificate of Designation provided that the Series B Preferred Stock (including any accrued but unpaid dividends) would automatically convert at the then-applicable conversion price (the "Mandatory Conversion") in full into the Company's common stock following stockholder approval. Stockholder approval was received at the Company's 2023 annual meeting of stockholders held on August 1, 2023, and the Company designated August 15, 2023, as the date for the Mandatory Conversion of the Series B Convertible Preferred Stock into its common stock and Pre-Funded Warrants to purchase common stock. In connection with the Mandatory Conversion, the Company issued 43,617,114 shares of common stock and Pre-Funded Warrants exercisable for 2,000,000 shares of common stock at an exercise price of $0.01 per share to the holders of the Series B Convertible Preferred Stock. Following the Mandatory Conversion, no shares of the Series B Convertible Preferred Stock remain outstanding. The authorized shares of Series B Preferred Stock were returned to the status of authorized but unissued shares of preferred stock of the Company, without designation as to series.

Common and Preferred Stock

The Company's authorized capital stock consists of (a) 150,000,000 shares of common stock, par value $0.01 per share; and (b) 10,000,000 shares of preferred stock, par value $0.01 per share. At March 31, 2024 and December 31, 2023, there were 52,374,687 and 52,354,450 shares of common stock issued and outstanding, respectively. At March 31, 2024 and December 31, 2023, there were no shares of preferred stock issued and outstanding.

12. STOCK-BASED COMPENSATION

2023 Equity Incentive Plan

On August 1, 2023, the Company's stockholders approved the 2023 Equity Incentive Plan (the "2023 Plan"), which replaced the 2019 Omnibus Incentive Plan (the "2019 Plan"). The 2023 Plan has a share reserve equal to the sum of (a) 3,231,755 shares of common stock, (b) shares that are subject to awards granted under the 2019 Plan that are outstanding on or after August 1, 2023 (the "Effective Date") and that are subsequently forfeited, cancelled, expire or lapse unexercised or unsettled or are reacquired by the Company, (c) the number of shares reserved under the 2019 Plan that are not issued or subject to outstanding awards under the 2019 Plan on the Effective Date, and (d) the increase in shares described in the next sentence. On the first anniversary of the Effective Date, the number of shares of common stock that may be issued under the 2023 Plan will increase by a number of shares equal to 6% of the number of outstanding shares of common stock. Under the 2023 Plan, the Compensation Committee of the Company's board of directors is authorized to grant equity-based incentive awards that include stock options, restricted stock units ("RSUs"), shares of restricted stock ("RSS") and performance-based restricted stock units ("PSUs") to officers, directors, employees and contractors. Equity-based awards are also outstanding under the Company's 2019 and 2010 equity incentive plans, although no new awards can be granted under either plan. The Company's equity incentive plans permit the issuance of various types of awards including but not limited to stock options, restricted stock, RSUs and PSUs.

2024 Equity Inducement Plan

On February 8, 2024, upon recommendation of the Compensation Committee of the Board of Directors of the Company, they approved and adopted the 2024 Equity Inducement Plan (the "2024 Equity Inducement Plan"), and subject to the adjustment provisions of the 2024 Equity Inducement Plan, reserved 800,000 shares of the Company's common stock, par value $0.01 per share, for issuance of equity awards under the 2024 Equity Inducement Plan. The 2024 Equity Inducement Plan was approved and adopted without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. The 2024 Equity Inducement Plan provides for grants of non-statutory stock options, RSUs, PSUs, stock appreciation rights, and restricted shares (each, an "Inducement Award"). In addition, the Compensation Committee of the Board of Directors also approved various forms of stock-based awards. The terms and conditions of the 2024 Equity Inducement Plan are intended to comply with the Nasdaq inducement award rules. In accordance with Rule 5635(c)(4) of the Nasdaq Listing Rules, the only persons eligible to receive grants of Inducement Awards are individuals who were not previously employees or directors of the Company (or following a bona fide period of non-employment), as an inducement material to the individuals' entry into employment with the Company.

An aggregate 460,106 and 142,511 shares of the Company's common stock were available for issuance of new awards granted under the Company's equity incentive plans as of March 31, 2024 and December 31, 2023, respectively.

Stock Options

Options granted to employees typically become exercisable over a four-year vesting period and have a ten-year contractual term. Initial options granted to directors typically vest over a four-year period and have a ten-year contractual term. Annual option grants to directors typically vest in full on the date of the Company's next annual meeting of shareholders and have a ten-year contractual term.

During the three months ended March 31, 2024 and 2023, the Company recorded compensation expense related to stock options of approximately $0.5 million and $0.2 million, respectively. As of March 31, 2024, the total unrecognized compensation cost related to non-vested stock options granted was $4.9 million and is expected to be recognized over a weighted average period of 3.27 years.

The following table presents a summary of stock option activity for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,			
	2024		2023	
	Options	Weighted Average Exercise Price ($)	Options	Weighted Average Exercise Price ($)
Options outstanding at beginning of period	3,194,574	7.42	1,175,339	19.03
Grants	99,500	4.18	100,402	2.73
Forfeitures and expirations	(41,565)	4.09	(58,788)	11.85
Exercises	(13,125)	2.82	—	—
Options outstanding at period end	3,239,384	7.38	1,216,953	18.03
Options exercisable at period end	1,117,599	14.89	867,650	23.38
Weighted average per share fair value of options granted during the period	$ 2.86		$ 1.88	

The following table provides additional information related to outstanding stock options as of March 31, 2024:

	Shares	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value ($) (In thousands)
Outstanding	3,239,384	7.38	8.17 years	1,491
Exercisable	1,117,599	14.89	5.69 years	260
Outstanding, vested and expected to vest	2,747,507	8.09	7.92 years	1,222

The following table provides additional information related to outstanding stock options as of December 31, 2023:

	Shares	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value ($) (In thousands)
Outstanding	3,194,574	7.42	8.35 years	2,460
Exercisable	993,037	16.34	5.40 years	258
Outstanding, vested and expected to vest	2,887,226	7.84	8.20 years	2,164

As of March 31, 2024, 182,906 shares remain available for grant under the 2023 Plan.

Restricted Stock and Restricted Stock Units ("RSUs")

The following table presents a summary of restricted stock and RSUs activity for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,			
	2024		2023	
	Shares	Weighted Average Grant Date Fair Value ($)	Shares	Weighted Average Grant Date Fair Value ($)
Restricted stock and RSUs outstanding at beginning of period	1,217,076	2.35	73,594	4.98
Grants	223,300	3.77	632,050	1.39
Vested restricted stock and RSUs	(159,256)	1.82	(20,468)	4.98
Forfeitures	—	—	—	—
Restricted stock and RSUs outstanding at period end	1,281,120	2.66	685,176	1.67

Employee stock-based compensation expense related to restricted stock and RSUs recognized in accordance with ASC 718, *Compensation - Stock Compensation* ("ASC 718") was $0.4 million and less than $0.1 million for the three months ended March 31, 2024 and 2023.

As of March 31, 2024, the total unrecognized compensation cost related to restricted stock and RSUs was $3.2 million and is expected to be recognized over a weighted average period of 3.40 years.

Performance-based restricted stock units ("PSUs")

During the fourth quarter of 2023, the Company began granting performance-based PSUs that will settle in stock. PSUs awarded to employees have a three-year performance period and vest equally upon the achievement of annual performance measures established at the date of grant. Participants may ultimately earn between zero and 100% of the number of PSUs granted based on the degree of achievement of the performance metrics. If zero PSUs vest in a given year because the annual performance metric was not achieved, such PSUs will not be eligible to vest in a later year for the participant.

The following table summarizes the PSUs activity for three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,			
	2024		2023	
	Shares	Weighted Average Grant Date Fair Value ($)	Shares	Weighted Average Grant Date Fair Value ($)
Performance stock units outstanding at beginning of period	625,000	2.99	—	—
Grants	275,000	3.77	—	—
Vested	—	—	—	—
Forfeitures	—	—	—	—
Restricted stock and RSUs outstanding at period end	900,000	3.23	—	—

The Company recognized no compensation costs related to the PSUs during the three months ended March 31, 2024 and 2023, as it was not deemed probable that any performance conditions would be achieved. As of March 31, 2024, there was approximately $2.7 million of total unrecognized compensation cost related to outstanding PSUs that could be recognized over a weighted average period of 2.90 years if the PSUs vest.

Employee Stock Purchase Plan

During the three months ended March 31, 2024 and 2023, the Company recorded compensation expense related to its employee stock purchase plan of less than $0.1 million for each period.

13. INCOME TAXES

In accordance with ASC 740, *Income Taxes,* the Company recognizes deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of its assets and liabilities at the enacted tax rates in effect for the year in which the differences are expected to reverse. Significant management judgment is involved in determining the provision for income taxes, deferred tax assets and liabilities, and any valuation allowance recorded against net deferred tax assets. Due to uncertainties with respect to the realization of U.S. deferred tax assets due to the history of operating losses, a valuation allowance has been established against the entire net U.S. deferred tax asset balance. The valuation allowance is based on management's estimates of taxable income in the jurisdictions in which the Company operates and the period over which deferred tax assets will be recoverable. If actual results differ from these estimates or the Company adjusts these estimates in future periods, a change in the valuation allowance may be needed, which could materially impact the Company's financial position and results of operations.

At the end of each interim period, the Company makes its best estimate of the effective tax rate expected to be applicable for the full fiscal year. This estimate reflects, among other items, the Company's best estimate of operating results and foreign currency exchange rates.

The Company also applies the provisions for income taxes related to, among other things, accounting for uncertain tax positions and disclosure requirements. There has been no change to the Company's policy that recognizes potential interest and penalties related to uncertain tax positions. The Company conducts business globally and, as a result, files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world.

For the three months ended March 31, 2024, the Company has recorded a tax benefit of $32,000. The effective tax rate for the period differs from the statutory tax rate for the period primarily due to the effects of valuation allowances on net operating losses and on other deferred tax assets.

As of December 31, 2023, the Company had federal NOL carry-forwards of approximately $146.8 million and state NOL carry-forwards of approximately $106.8 million, subject to further limitation based upon the final results of the Company's analyses of Internal Revenue Code Sections 382 and 383. These NOLs are available to reduce future income unless otherwise taxable. If not utilized, the federal NOL carry-forwards will expire at various dates between 2029 and 2037, the Company's federal NOL created in 2018 and onward will carry forward indefinitely and the state NOL carry-forwards will expire at various dates between 2023 and 2043.

Sections 382 and 383 of the Internal Revenue Code limit the annual use of NOL carry-forwards and tax credit carry-forwards, respectively, following an ownership change. NOL carry-forwards may be subject to annual limitations under Internal Revenue Code Section 382 ("Section 382") (or comparable provisions of state law) if certain changes in ownership were to occur. The Company periodically evaluates its NOL carry-forwards and whether certain changes in ownership have occurred that would limit the Company's ability to utilize a portion of its NOL carry-forwards. If it is determined that significant ownership changes have occurred since the Company generated its NOL carry-forwards, the Company may be subject to annual limitations on the use of these NOL carry-forwards under Section 382 (or comparable provisions of state law). The Company has determined that Section 382 changes in ownership occurred in late 2015 and in 2023. As a result of these changes in ownerships, the Company estimated that substantially all of its federal and state NOL

carry-forwards and tax credits generated prior to the 2023 change in ownership will be subject to Section 382 limitations and may not be fully utilized in the future. The Company is currently in the process of evaluating the Section 382 impact to determine if a write-off is necessary. The reduction to the Company's NOL deferred tax asset due to the annual Section 382 limitation and the NOL carryforward period would result in an offsetting reduction in valuation allowance recorded against the NOL deferred tax asset.

Effective January 1, 2022, for U.S. tax purposes research and development costs, including software development costs, are required to be capitalized and will be deductible over five years for costs incurred domestically and over fifteen years for costs incurred in a foreign country. Additionally, the first year of amortization requires that amortization begin with the midpoint of the taxable year.

As of December 31, 2023 and 2022, the Company's U.K. subsidiary is in a net deferred tax asset position primarily due to the step up in tax basis for intangible assets created by the transfer of intellectual property from the Netherlands to the U.K. Based upon the expected pattern of reversal of deferred taxes, it is not more likely than not that these deferred tax assets will be realized. As such, a full valuation allowance is placed against the net deferred tax assets of the U.K. subsidiary. The Company's Irish subsidiary has a deferred tax asset for net operating loss carryforwards. The Company utilized $1.1 million of this carryforward as of December 31, 2023. The Company expects the remaining net operating loss carryforward to be fully realizable in the future based upon the Company's control of the transfer pricing arrangements. A valuation allowance is not recorded on the deferred tax assets of the Ireland subsidiary. Deferred tax considerations for all other foreign entities are immaterial to the financial statements.

The Company anticipates that its foreign subsidiaries will be profitable and have earnings in the future. Once the foreign subsidiaries have earnings, the Company intends to indefinitely reinvest in its foreign subsidiaries all undistributed earnings and original investments in such subsidiaries. As a result, the Company does not expect to record deferred tax liabilities in the future related to excesses of book over tax basis in the stock of its foreign subsidiaries in accordance with ASC 740-30-25.

14. SEGMENT INFORMATION

The Company's operations are managed as three operating segments: U.S., International and Operating Cost. The Company determined that each of these operating segments represented a reportable segment. In monitoring performance, aligning strategies and allocating resources, the Company's CODM manages and evaluates our U.S., International and Operating Cost segments based on segment income or loss from operations adjusted for certain non-cash items, such as stock-based compensation expense and depreciation and amortization. Therefore, the Company classifies within Other (a) the non-cash expenses included in research, development and medical affairs expenses; general and administrative expenses; and sales and marketing expenses; and (b) depreciation and amortization.

The Company's U.S. and International segments represent the sales and marketing, general and administrative and research and development activities dedicated to the respective geographies. The Operating Cost segment primarily represents the general and administrative and research and development activities not specifically associated with the U.S. or International segments and includes expenses such as executive management; information technology administration and support; legal; compliance; clinical studies; and business development.

Each of the Company's U.S., International and Operating Cost segments is separately managed and is evaluated primarily upon segment income or loss from operations. Other is presented to reconcile to the Company's consolidated totals. The Company does not report balance sheet information by segment because the Company's CODM does not review that information. The Company allocates certain operating expenses among its reporting segments based on activity-based costing methods. These activity-based costing methods require the Company to make estimates that affect the amount of each expense category that is attributed to each segment. Changes in these estimates will directly affect the amount of expense allocated to each segment and therefore the operating profit of each reporting segment.

During the three months ended March 31, 2024 and 2023, two customers within the U.S. segment that are large pharmaceutical distributors accounted for 63% and 56% of the Company's consolidated product revenues, respectively. These same two customers within the U.S. segment accounted for approximately 70% of the Company's consolidated accounts receivable at March 31, 2024 and at December 31, 2023. Internationally, our distributors produced approximately 53% and 46% of our international product revenues during the three months ended March 31, 2024 and 2023, respectively.

The following table presents a summary of the Company's reporting segments for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31, 2024				
	U.S.	International	Operating Cost	Other	Consolidated
	(In thousands)				
Net revenue	$ 14,552	$ 8,459	$ —	$ —	$ 23,011
Cost of goods sold, excluding depreciation and amortization	(1,424)	(1,929)	—	—	(3,353)
Gross profit	13,128	6,530	—	—	19,658
Operating expenses:					
Research, development and medical affairs expenses	1,300	684	2,326	51	4,361
General and administrative expenses	568	561	3,657	646	5,432
Sales and marketing expenses	6,953	1,548	434	147	9,082
Depreciation and amortization	—	—	—	3,085	3,085
Total operating expenses	8,821	2,793	6,417	3,929	21,960
Segment income (loss) from operations	4,307	3,737	(6,417)	(3,929)	(2,302)
Other income and expenses, net	—	—	—	(3,981)	(3,981)
Net loss before taxes					$ (6,283)

	Three Months Ended March 31, 2023				
	U.S.	International	Operating Cost	Other	Consolidated
	(In thousands)				
Net revenue	$ 7,582	$ 5,964	$ —	$ —	$ 13,546
Cost of goods sold, excluding depreciation and amortization	(905)	(1,123)	—	—	(2,028)
Gross profit	6,677	4,841	—	—	11,518
Operating expenses:					
Research, development and medical affairs expenses	1,162	756	2,224	22	4,164
				155	
General and administrative expenses	1,184	716	2,116		4,171
Sales and marketing expenses	4,274	1,415	66	49	5,804
Depreciation and amortization	—	—	—	681	681
Total operating expenses	6,620	2,887	4,406	907	14,820
Segment income (loss) from operations	57	1,954	(4,406)	(907)	(3,302)
Other income and expenses, net	—	—	—	(1,666)	(1,666)
Net loss before taxes					$ (4,968)

15. OTHER AGREEMENTS WITH OCUMENSION

Warrant Subscription Agreement

On April 14, 2021, the Company entered into the warrant agreement with Ocumension pursuant to which Ocumension agreed to issue to the Company 1,000,000 non-transferable warrants granting the Company the right for a period of four years to subscribe to up to an aggregate of 1,000,000 shares of Ocumension stock at the subscription price of HK$23.88 per warrant share (or US$3.07 per warrant share as converted to U.S. Dollars at the exchange rate on April 9, 2021 of 0.12853 U.S. Dollars per HK$), subject to adjustment. (The converted rate is for illustrative purposes only; if the Company exercises the warrants, it will pay the subscription price of HK$23.88 per warrant share in HK$.) The warrants were issued on August 13, 2021, pursuant to the terms of the warrant agreement. The warrants are not and will not be listed on any stock exchange. The fair value of the warrants are included on the balance sheet and revalued at each of the Company's reporting dates with fluctuations being booked through the Company's statement of operations.

16. FAIR VALUE

The Company applies FASB ASC 820, *Fair Value Measurements* ("ASC 820"), in determining the fair value of certain assets and liabilities. ASC 820 defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities

(Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Pursuant to the Company's warrant agreement with Ocumension, the Company has the right to exercise the warrants at its option, which are considered to be derivative instruments and classified as non-current warrant assets. The Company uses the Black-Scholes pricing model and assumptions that consider, among other variables, the fair value of the underlying stock, risk-free interest rate, volatility, expected life and dividend rates in estimating fair value for the warrants considered to be derivative instruments. Changes in the fair value during each reporting period are reported in the consolidated statement of operations.

There have been no changes to the valuation methods during the three months ended March 31, 2024 or 2023.

The carrying amounts of the Company's financial instruments, including cash and cash equivalents and current assets and liabilities approximate their fair value because of their short maturities. The weighted average interest rate of the Company's notes payable approximates the rate at which the Company could obtain alternative financing; therefore, the carrying amount of the note approximates the fair value.

The following fair value table presents information about certain of the Company's assets measured at fair value on a recurring basis:

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Warrant asset [1]	$ —	$ 6	$ —	$ 6
Assets measured at fair value	$ —	$ 6	$ —	$ 6

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Warrant asset [1]	$ —	$ 52	$ —	$ 52
Assets measured at fair value	$ —	$ 52	$ —	$ 52

(1) The Company uses the Black-Scholes pricing model and assumptions that consider, among other variables, the fair value of the underlying stock, risk-free interest rate, volatility, expected life and dividend rates in estimating fair value for the warrants considered to be derivative instruments. Changes in this value each reporting period are reported in the condensed consolidated statement of operations.

ITEM 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion and analysis should be read in conjunction with our unaudited interim condensed consolidated financial statements and the related notes ("Interim Financial Statements") that appear elsewhere in this quarterly report on Form 10-Q. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements due to a number of factors, including those described in Part I, Item 1A, "Risk Factors" and elsewhere in the 2023 Form 10-K. For further information regarding forward-looking statements, please refer to the "Special Note Regarding Forward-Looking Statements and Projections" immediately after the index to this report above.

Overview

Alimera Sciences, Inc., and its subsidiaries ("we," "our," "us," "Alimera" or the "Company"), is a global pharmaceutical company that specializes in the commercialization and development of prescription ophthalmic retinal pharmaceuticals. We are committed to improving the retinal health of patients through long term treatment of chronic retinal diseases. We believe these diseases are not well treated with current therapies and affect millions of people globally. Our vision is to be the place in retina and our mission is to be invaluable to patients, physicians and partners concerned with retinal health and maintaining better vision longer.

The term "ILUVIEN®" and "YUTIQ®" are our registered trademarks. All other trademarks, trade names and service marks appearing in these Interim Financial Statements are the property of their respective owners.

ILUVIEN and YUTIQ

At Alimera, we internally developed and commercialized ILUVIEN (fluocinolone acetonide intravitreal implant) 0.19 mg, in the U.S. and internationally for the treatment of diabetic macular edema ("DME"), and certain international markets for chronic non-infectious uveitis affecting the posterior segment of the eye ("NIU-PS"), both are leading causes of severe vision loss and blindness. DME is a disease of the retina that affects individuals with Type 1 or Type 2 diabetes. ILUVIEN is sold to treat DME only in the U.S. In certain European and Middle Eastern countries, ILUVIEN is approved and commercialized to treat DME and to prevent relapse in recurrent NIU-PS, an inflammatory disease of the uveal tract, which is comprised of the iris, ciliary body and choroid. We also have rights to commercialize ILUVIEN for NIU-PS in Africa. In May 2023, we acquired exclusive commercialization rights to YUTIQ (fluocinolone acetonide intravitreal implant) 0.18 mg, from EyePoint Pharmaceuticals, Inc. ("EyePoint Parent") for the treatment of chronic NIU-PS. YUTIQ is sold to treat chronic NIU-PS only in the U.S.

ILUVIEN and YUTIQ are both intravitreal implants that are inserted into the back of the patient's eye in non-surgical procedures employing devices with 25-gauge needles, which allow for self-sealing wounds. "Intravitreal" refers to the space inside the eye behind the lens that contains the jelly-like substance called vitreous. The implants, which are non-bioerodible, provide consistent delivery as a result of their constant surface area, permitting elution of FAc to the vitreous. We call this CONTINUOUS MICRODOSING™. This delivery mechanism provides lower daily and aggregate exposure to corticosteroids than any other intraocular dosage forms currently available, which we believe mitigates the typical risks associated with corticosteroid therapy. CONTINUOUS MICRODOSING delivery makes ILUVIEN and YUTIQ the only approved drug therapies for DME and NIU-PS that can deliver consistent daily therapeutic levels of corticosteroid and reduce the recurrence of DME and uveitis for up to three years. Other therapies that physicians currently use to treat DME, such as anti-VEGF treatments and other corticosteroids, are acute (short-acting) therapies that provide a higher initial daily dose but then rapidly decline, requiring frequent reinjection by the physician to maintain an effective dose or reestablish the therapeutic effect after the disease has recurred.

FAc is a non-proprietary corticosteroid and the active compound in ILUVIEN and YUTIQ. We at Alimera believe that corticosteroids provide the best option in the treatment of DME and NIU-PS because they reduce the inflammatory aspects of both diseases. ILUVIEN and YUTIQ deliver continuous daily sub-microgram levels of FAc in in vivo release kinetic studies for up to 36 months. ILUVIEN and YUTIQ are the only single injection therapies available to treat retinal diseases consistently every day for up to three years, which may allow patients to see better, longer, with fewer injections.

Chronic inflammation results in a loss of integrity of retinal blood vessels, which begin to leak fluid into extracellular spaces. The buildup of fluid and other blood constituents leads to macular swelling (i.e. edema) and causes visual disturbances due to mechanical stress put upon retinal cells. To compensate for the damaged blood vessels, the body begins to upregulate production of vascular endothelial growth factor ("VEGF"), which promotes the generation of new blood vessels. However, these new blood vessels also lack structural integrity and add to the problem rather than solving it. This process, called neovascularization, has been well characterized in DME as well as other retinal diseases.

The primary way to combat the process of neovascularization is to inhibit the growth of new blood vessels by preventing downstream VEGF signaling via anti-VEGF agents. However, the inflammatory process is early and central to DME pathogenesis, often preceding the vascular changes that lead to symptoms perceived by the patient. Chronic hyperglycemia present in the diabetic state leads to upregulation of many inflammatory cytokines, including, but not limited to, VEGF. Early and complete control of this inflammatory cascade is essential to maintain vascular integrity and thus prevent macular edema. This is evident in the results from a Diabetic Retinopathy Clinical Research

Network study showed that 32-65% of patients treated with anti-VEGF monotherapy on a monthly basis for six months had persistent macular edema, despite this aggressive treatment regimen.

Comprehensive control over the various inflammatory factors promoting macular edema is rarely achieved by focusing on only one vasogenic cytokine. This has been demonstrated throughout multiple studies, first establishing an understanding of the broad spectrum of inflammatory control steroids exert, and another demonstrating significant reductions in vitreous levels of multiple inflammatory cytokines after six months of ILUVIEN therapy. Further, a growing body of literature has identified particular biomarkers that predict better outcomes to early corticosteroid therapy, including intraretinal cysts, subretinal fluid, disorganization of inner retinal layers, and hyper-reflective foci on optical coherence tomography images. As the benefits of steroids become more widely understood and appreciated, more efforts are being put into identifying patients most likely to experience optimal therapeutic outcomes with this drug class.

Chronic NIU-PS is by definition an inflammatory disease and is almost always managed with some form of local or systemic steroid. In controlled studies, treatment with a local, low-dose, long-acting steroid (YUTIQ) extended time between recurrence of symptoms, led to visual increases, and fewer adjuvant therapies compared to sham-treated eyes. Though the etiologies differ between DME and NIU-PS, the resulting edema originating from excessive inflammatory factors is similar and responds well to corticosteroid therapy.

Corticosteroids, including FAc, have demonstrated a range of pharmacological actions, including inhibition of inflammation and neurodegeneration, as well as promoting cellular processes that protect the integrity of the blood-retinal barrier. These pharmacological actions have the potential to treat various ocular conditions, including DME and NIU-PS. FAc is highly lipophilic and therefore effectively penetrates retinal tissue and allows FAc to achieve a therapeutic effect at a low dose. Despite providing clinically significant anatomic and visual benefits, steroids are often relegated to second line therapy (particularly in DME) due to drug-class specific side effects of potential increases in intraocular pressure (“IOP”) and accelerated cataract development. To mitigate these side effects, ILUVIEN and YUTIQ are designed to deliver significantly lower daily exposure than any other available corticosteroid dosage form while maintaining a therapeutic effect. Further, adherence to the US label requiring a steroid challenge prior to utilizing ILUVIEN has been shown to reduce the risk of uncontrolled IOP responses. Additionally, as demonstrated with real-world evidence, the side effects of ILUVIEN and YUTIQ are consistent with and predictable following the use of shorter duration or acute corticosteroid therapies, increasing the physician’s ability to manage those side effects.

Disease Overview and Market Opportunity

Diabetes and Diabetic Retinopathy

Diabetes is a chronic disease that occurs either when the pancreas does not produce enough insulin or when the body cannot effectively use the insulin it produces. Insulin is a hormone that regulates blood glucose. Hyperglycemia, also called raised blood glucose or raised blood sugar, is a common effect of uncontrolled diabetes and over time leads to serious damage to many of the body's systems, especially the nerves and blood vessels. Diabetes mellitus is a disease of inadequate control of blood glucose levels. Diabetes mellitus, with its systemic and ophthalmic complications, represents a global public health threat. The International Diabetes Federation (“IDF”) estimated prevalence of diabetes worldwide in 2021 increased to 537 million people and is expected to increase to 783 million people by 2045.

All patients with diabetes are at risk of developing some form of diabetic retinopathy, an ophthalmic complication of diabetes with symptoms including the swelling and leakage of blood vessels within the retina or the abnormal growth of new blood vessels on the surface of the retina. According to the CDC Vision Health Initiative, diabetic retinopathy causes approximately 12,000 to 24,000 new cases of blindness in the U.S. each year; making diabetes the leading cause of new cases of blindness in adults aged 20 to 70. Diabetic retinopathy can be divided into either non-proliferative or proliferative retinopathy. Non-proliferative retinopathy develops first and causes increased capillary permeability, micro aneurysms, hemorrhages, exudates (when fluid leaks into spaces between vessels), macular ischemia (lack of oxygen) and macular edema (thickening of the retina caused by fluid leakage from capillaries). Proliferative retinopathy is an advanced stage of diabetic retinopathy that, in addition to characteristics of non-proliferative retinopathy, results in the growth of new blood vessels. These new blood vessels are abnormal and fragile, growing along the retina and along the surface of the clear vitreous gel that fills the inside of the eye. By themselves, these blood vessels do not cause symptoms or vision loss. However, these blood vessels have thin, fragile walls that are prone to leakage and hemorrhage.

When the blood vessel leakage of diabetic retinopathy leads to the build-up of fluid, or edema, in a region of the retina called the macula, the condition is called DME. This area of the eye is important for the sharp, straight-ahead vision that is used for reading, recognizing faces, and driving. DME is the most common cause of vision loss among people with diabetic retinopathy and about 30% of people with diabetic retinopathy will develop DME. It is more likely to occur as diabetic retinopathy worsens, although it may occur at any stage of the disease. The onset of DME is painless and may go undetected by the patient until it manifests with the blurring of central vision or acute vision loss. The severity of this blurring may range from mild to profound loss of vision. There are an estimated 750,000 people with DME in the U.S., according to the National Eye Institute's 2019 update.

Studies have shown that DME is a multifactorial disease underpinned by inflammatory cytokine activity in the eye. Of the currently approved pharmacotherapies used to treat DME, only corticosteroids, including FAc found in the ILUVIEN implant, affect multiple cytokines.

As the incidence of diabetes continues to increase worldwide, the incidence of DME and other complications is predicted to rise as well. Most patients who suffer from diabetes do not meet glycemic (glucose or blood sugar) targets, resulting in hyperglycemia (elevated levels of glucose in the blood). This, in turn, leads to the development of micro-vascular complications, which manifest in the eye as diabetic retinopathy, as well as elevated cytokines that break down the blood-retina barrier, leading to macular edema in many diabetic retinopathy patients.

Uveitis

Uveitis means inflammation of the uveal tract, which is a layer of tissue located between the outer layer (cornea and sclera) and the inner layer (retina) of the eye. The front portion (anterior) of the uveal tract contains the iris, and the back portion (posterior) of the uveal tract contains the choroid and the stroma of the ciliary body. Inflammation of the uvea encompasses approximately 30 inflammatory disorders characterized by intraocular inflammation, a major cause of visual loss in people of working age in both developed and developing countries. It can affect people of all ages, producing swelling and destroying eye tissues, which can lead to severe vision loss and blindness. According to the classification scheme recommended by the International Uveitis Study Group, the disease can be classified on the basis of anatomic locations: anterior, intermediate, posterior or pan uveitis. Uveitis can be caused by a number of factors such as infection (infectious uveitis) or other autoimmune diseases or conditions. Non-infectious uveitis is a persistent and recurrent disease that can adversely affect the retina. Additionally, it commonly affects vision, more so than anterior uveitis, and macular edema is the most common mechanism of visual loss, affecting 44% patients with posterior uveitis.

There are two forms of uveitis:

- infectious uveitis (bacterial, viral, fungal or parasitic), which is treated with an appropriate antimicrobial drug as well as corticosteroids and cycloplegics; and
- non-infectious uveitis (“NIU”), where corticosteroids are used to reduce inflammation and prevent adhesions in the eye.

Chronic NIU-PS of the eye is an inflammatory disease that afflicts people of all ages, producing swelling and destroying eye tissues, which can lead to severe vision loss and blindness. This disease affects between 60,000 to 100,000 people each year in the U.S. and causes approximately 30,000 new cases of blindness every year. The standard of care treatment for this disease typically involves the use of short-acting corticosteroids to reduce uveitic flares followed by additional treatments of sustained release, lower dose steroids to minimize the risk of further flares.

Our NEW DAY Study

We believe that ILUVIEN continues to be underutilized in the treatment of DME and should be used much earlier in patients suffering from DME. Our prior clinical data sets demonstrate the ability of ILUVIEN to control the underlying disease process and reduce the recurrence of edema for up to three years, rather than treating recurrent chronic edema with short-term therapies. With the NEW DAY Study, we intend to demonstrate the efficacy of ILUVIEN as baseline therapy in patients with early DME by comparing ILUVIEN to the current standard of care, anti-VEGF therapy.

In July 2020, we announced the initiation of our NEW DAY clinical trial, a multicenter, single masked, randomized and controlled trial designed to generate prospective data evaluating ILUVIEN as a baseline therapy in the treatment of DME and demonstrate its advantages over using the current standard of care of repeat anti-VEGF injections. The NEW DAY Study was fully enrolled with 300 treatment-naïve, or almost naïve, DME patients in approximately 42 sites around the U.S. The planned treatment period in the study is 18 months. Once the treatment period is concluded, patients will be given the option to participate in an open label extension study for up to 42 months. We expect to share the study data in early 2025.

The primary outcome measure for the NEW DAY Study is the mean number of supplemental aflibercept injections needed during the trial between treatment groups. Key secondary endpoints include mean best corrected visual acuity (“BCVA”) score over time up to 18 months, time to first supplemental treatment, retinal thickness amplitude on optical coherence tomography (“OCT”), and diabetic retinopathy scores. In addition, the trial will collect patient-reported outcome measures to evaluate the effect on patients' quality of life and level of functioning. Exploratory endpoints will include neuronal functional measures and OCT imaging measures of retinal nerve layer thickness.

Our SYNCHRONICITY Study

The SYNCHRONICITY Study is a multicenter, open label study evaluating YUTIQ in chronic inflammation. The Synchronicity Study currently has enrolled 110 patient eyes in approximately 25 sites around the U.S. Patients who meet the entry criteria receive YUTIQ as an intravitreal injection in the designated study eye. The treatment period is 36 months, with data capture for this study being the first 24 months of YUTIQ drug treatment.

The primary outcome measure for the SYNCHRONICITY Study is the mean change from baseline in BCVA letter score in the study eye measured by ETDRS (Early Treatment Diabetic Retinopathy Study) at Month 6 and the mean change from baseline central subfield thickness at Month 6. Key secondary endpoints include time to recurrence of non-infectious inflammation in the study eye, presence of vascular leakage at Months 1, 3, 6, 12, 18 and 24, proportion of subjects with resolution of macular edema at Months 1, 3, 6, 12, 18 and 24, mean change from baseline in BCVA letter score at Day 14 and at Months 1, 3, 12, 18 and 24, and mean change from baseline in CST at Months 1, 3, 12, 18 and 24.

ILUVIEN for Other Diseases of the Eye

ILUVIEN is currently being studied in a DRCR Retina Network study entitled "A Randomized Clinical Trial Evaluating Intravitreal Faricimab (6.0 mg) Injections or Fluocinolone Acetonide (0.19 mg) Intravitreal Implants vs Observation for Prevention of Visual Acuity Loss due to Radiation Retinopathy." The study is planned to include 600 participants with primary choroidal melanoma receiving treatment with plaque brachytherapy. The study will assess development of macular edema and associated long-term visual acuity effects of consistent and continuous release of corticosteroid or repeated injections of anti-VEGF initiated near the time of radiation therapy compared to observation until macular edema develops in patients at risk for radiation retinopathy. Radiation retinopathy ("RR") is a common complication after Iodine-125 plaque brachytherapy for choroidal melanoma. Although the initial radiation insult is immediate, clinical onset of RR is not seen until many months later and RR frequently progresses over time to profound vision loss. When utilized as baseline therapy, we believe ILUVIEN's CONTINUOUS MICRODOSING delivery may prevent, delay or reduce the occurrence of the complication of radiation retinopathy and consequent vision loss when used in patients treated with plaque brachytherapy.

Although we, as a company, are not actively conducting clinical trials for other new indications, we believe that ILUVIEN has the potential to address other ophthalmic diseases such as retinal vein occlusion ("RVO"), non-proliferative diabetic retinopathy ("NPDR"), dry age-related macular degeneration ("dry AMD") and wet age-related macular degeneration ("wet AMD"), and we are evaluating opportunities for further clinical trials.

Where We Market ILUVIEN to Treat Diabetic Macular Edema ("DME")

ILUVIEN has received marketing authorization for the use of ILUVIEN to treat DME for the indications and is reimbursed and marketed as shown in the following table:

Indication for the Treatment of DME	Territories Where ILUVIEN Has Received Marketing Authorization to Treat DME	Territories Where ILUVIEN Has Received Reimbursement Approval to Treat DME	Territories Where ILUVIEN is Currently Available to Treat DME
Treatment of DME in patients who have been previously treated with a course of corticosteroids and did not have a clinically significant rise in intraocular pressure	U.S., Australia, Hong Kong, Bahrain, Kuwait, Lebanon and the United Arab Emirates	U.S., Kuwait, Lebanon and the United Arab Emirates	U.S., Bahrain, Kuwait, Lebanon and the United Arab Emirates
Treatment of vision impairment associated with chronic DME considered insufficiently responsive to available therapies	The United Kingdom ("U.K."), Germany, France, Italy, Spain, Portugal, Ireland, Austria, Belgium, Denmark, Norway, Finland, Sweden, Poland, the Czech Republic, the Netherlands and Luxembourg	The U.K., Germany, France, Italy, Spain, Portugal, Ireland, Luxembourg and the Netherlands	The U.K., Belgium, the Czech Republic, Germany, France, Italy, Spain, Portugal, Ireland, Austria, Luxembourg, Denmark, Norway, Finland, Sweden and the Netherlands

Where We Market ILUVIEN and YUTIQ to Treat Chronic Non-Infectious Uveitis Affecting the Posterior Segment of the Eye ("NIU-PS")

YUTIQ has received marketing authorization to treat NIU-PS and is reimbursed and marketed by us in the U.S. ILUVIEN has received marketing authorization to treat NIU-PS and is reimbursed and marketed as shown in the following table:

Indication for the Treatment of NIU-PS	Territories Where ILUVIEN Has Received Marketing Authorization to Treat NIU-PS	Territories Where ILUVIEN Has Received Reimbursement Approval to Treat NIU-PS	Territories Where ILUVIEN is Currently Marketed to Treat NIU-PS
The prevention of relapse in recurrent NIU-PS	The U.K., Germany, France, Spain, Portugal, Ireland, Italy, Austria, Belgium, Denmark, Norway, Finland, Sweden, Poland, the Czech Republic, the Netherlands, Luxembourg and the United Arab Emirates	The U.K., Germany, Ireland, Italy, France, Portugal, Spain, the Czech Republic, Luxembourg and the Netherlands	The U.K., Germany, France, Spain, Portugal, Ireland, Italy, Austria, Belgium, Denmark, Norway, Finland, Sweden, the Czech Republic, the Netherlands, Luxembourg and the United Arab Emirates

Where We Sell ILUVIEN Direct

We commercially market ILUVIEN directly in the U.S., Germany, the U.K., Portugal and Ireland.

Where We Sell ILUVIEN Through Distributors

We have entered into various agreements under which distributors are providing or will provide regulatory, reimbursement or sales and marketing support for ILUVIEN in Austria, Belgium, the Czech Republic, Denmark, Finland, France, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden, Switzerland, Australia, New Zealand, China and several countries in the Western Pacific and several countries in the Middle East. As of March 31, 2024 and December 31, 2023, we have recognized net product revenue from our international distributors in the Middle East, China, Austria, Belgium, the Czech Republic, France, Italy, Luxembourg, Spain, the Netherlands and certain Nordic countries.

Sources of Revenues

Our sales personnel focus on physician offices, clinics, pharmacies and hospitals in the U.S. and in European countries where we seek to persuade end users to purchase our products. In our promotional efforts, we focus on three main areas to generate demand for our products. The first is to gain access for ILUVIEN or YUTIQ, as appropriate, on formularies and contracts, and through national and local health care authorities to achieve a reasonable price in the countries in which we intend to commercialize. Second is to educate physicians on the efficacy and safety of ILUVIEN and YUTIQ through direct promotion, advocacy building and indirect marketing activities. Third is to enable patients and caregivers in markets where it is permitted to become more educated on their disease and the possible treatments.

Our revenues for the three months ended March 31, 2024 and 2023 were generated from product sales primarily in the U.S., Germany and the U.K. In the U.S., two large pharmaceutical distributors accounted for 63% and 56% of our consolidated product revenues for the three months ended March 31, 2024 and 2023, respectively. These U.S.-based distributors purchase ILUVIEN and YUTIQ in 2023 from us, maintain inventories of ILUVIEN and YUTIQ and sell on to physician offices, pharmacies and hospitals. Internationally, in countries where we sell direct, our customers are hospitals, clinics and pharmacies. We sometimes refer to physician offices, pharmacies, hospitals and clinics as end users. Internationally, in countries where we sell to distributors, these distributors purchase ILUVIEN from us and maintain inventories of ILUVIEN that they sell to their customers.

Transactions with Ocumension Therapeutics ("Ocumension")

On April 14, 2021, we entered into an exclusive license agreement (the "License Agreement") with Ocumension (Hong Kong) Limited, a wholly owned subsidiary of Ocumension Therapeutics ("Ocumension"), for the development and commercialization under Ocumension's own distinct trademark, of our 190 microgram FAc intravitreal implant (the "Product," which is currently marketed elsewhere as ILUVIEN) for the treatment and prevention of eye diseases in humans, other than uveitis, in the People's Republic of China, including Hong Kong SAR and Macau SAR, region of Taiwan, South Korea, Brunei, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

We received a nonrefundable upfront payment of $10.0 million from Ocumension and may in the future receive additional sales-based milestone payments totaling up to $89.0 million upon the achievement by Ocumension of certain specified sales milestones during the term of the License Agreement. Our receipt of future milestone payments depends upon whether Ocumension is able to successfully complete

product development and commercialization in the covered territory, which requires, among other things, obtaining necessary regulatory approvals and appropriate reimbursement pricing, which may take several years.

The term of the license will continue until the later of (a) the 10th anniversary of the first commercial sale of the Product in Ocumension's licensed territory or (b) as long as Ocumension is commercializing the Product in its licensed territory. The term is subject to our right to partially terminate the License Agreement beginning on the 10th anniversary of the License Agreement with respect to any country or jurisdiction in which Ocumension has not achieved a commercial sale at such time and is not continuing to commercialize the Product. Ocumension is responsible for all costs of development and commercialization in the licensed territory.

In April 2021, the Company entered into the warrant agreement with Ocumension pursuant to which Ocumension agreed to issue to the Company 1,000,000 non-transferable warrants granting the Company the right for a period of four years to subscribe to up to an aggregate of 1,000,000 shares of Ocumension stock at the subscription price of HK$23.88 per warrant share (or US$3.07 per warrant share as converted to U.S. Dollars at the exchange rate on April 9, 2021 of 0.12853 U.S. Dollars per HK$), subject to adjustment. The warrants were issued on August 13, 2021, pursuant to the terms of the warrant agreement. The warrants are not and will not be listed on any stock exchange. These warrants are revalued at each of the Company's reporting dates with fluctuations being booked to the Company's statement of operations.

For more information about the Ocumension transaction, see Notes 8 and 15 in the Interim Financial Statements.

Agreements with EyePoint Parent and EyePoint

In February 2005, we entered into a license agreement with the predecessor entity to EyePoint Pharmaceuticals US, Inc. ("EyePoint") in which we received a worldwide license from EyePoint for the use of steroids, including FAc, in EyePoint's proprietary insert technology for the treatment of all ocular diseases in humans other than uveitis. In July 2017, we amended and restated our license agreement with EyePoint (the "New Collaboration Agreement"), to add a license from EyePoint for the use of steroids, including FAc, in EyePoint's proprietary insert technology for the treatment of uveitis in Europe, the Middle East and Africa.

The New Collaboration Agreement converted our previous profit share obligation to a royalty payable on global net revenues of ILUVIEN of 6% for net revenues and other related consideration up to $75.0 million annually and 8% for net revenues and other related consideration in excess of $75.0 million on an annual basis. The New Collaboration Agreement included a right to offset $15.0 million of future royalty payments (the "Future Offset"), which reduces royalties that would otherwise be owed to EyePoint from 6% to 5.2% for net revenues and other related consideration up to $75.0 million annually and from 8% to 6.8% for net revenues and other related consideration in excess of $75.0 million on an annual basis until the future offset is recovered. As of March 31, 2024, the remaining value of the Future Offset is $6.4 million.

On May 17, 2023, we entered into a product rights agreement (the "Product Rights Agreement") with EyePoint Parent which grants Alimera an exclusive and sublicensable right and license to certain intellectual property to develop, manufacture, sell, commercialize and otherwise exploit certain products, including YUTIQ, for the treatment and prevention of uveitis in the entire world, except Europe, the Middle East and Africa, where we already have such rights pursuant to the New Collaboration Agreement, and except for China, Hong Kong, Macau, Taiwan, Brunei, Myanmar (Burma), Cambodia, Timor-Leste, Indonesia, Laos, Malaysia, the Philippines, Singapore, South Korea, Thailand and Vietnam, where Ocumension holds a license from EyePoint Parent. Pursuant to the agreement, we paid EyePoint Parent an upfront payment of $75.0 million and will also make four quarterly guaranteed payments to EyePoint Parent totaling $7.5 million during 2024. We will also pay royalties to EyePoint Parent from 2025 to 2028 at a percentage of mid-to-low double digits of annual U.S. net sales of YUTIQ and ILUVIEN, in excess of certain thresholds, beginning at $70.0 million in 2025, increasing annually thereafter. Upon completing the $7.5 million in payments, the licenses and rights granted to Alimera will automatically become perpetual and irrevocable.

We also entered into a commercial supply agreement (the "Supply Agreement") with EyePoint Parent pursuant to which, during the term of the Product Rights Agreement, EyePoint Parent will be responsible for manufacturing and exclusively supplying (subject to certain exceptions) to us agreed-upon quantities of YUTIQ necessary for us to commercialize YUTIQ in the U.S. at certain cost-plus amounts, subject to adjustments. EyePoint Parent's manufacture and supply to us of YUTIQ will be exclusive (subject to certain exceptions) until we have the right and ability to manufacture and supply YUTIQ for commercialization in the U.S. The term of the Supply Agreement is for a period of two years through May 2025 and thereafter automatically renews for successive one-year terms unless either party provides notice of non-renewal to the other party within a specified period of time prior to the beginning of the next automatic renewal term, provided that the Supply Agreement automatically terminates upon the successful completion of the transfer of manufacturing for YUTIQ to us or our designee. The Supply Agreement also automatically terminates upon termination of the Product Rights Agreement.

For more information about our agreements with EyePoint Parent and EyePoint, including how we calculate the royalty percentages we are required to pay, see Note 8 and Note 15 in the Interim Financial Statements.

Consolidated Results of Operations

	Three Months Ended March 31,	
	2024	2023
	(In thousands, except share and per share data)	
Net revenue	$ 23,011	$ 13,546
Cost of goods sold, excluding depreciation and amortization	(3,353)	(2,028)
Gross profit	19,658	11,518
Operating expenses:		
Research, development and medical affairs expenses	4,361	4,164
General and administrative expenses	5,432	4,171
Sales and marketing expenses	9,082	5,804
Depreciation and amortization	3,085	681
Total operating expenses	21,960	14,820
Loss from operations	(2,302)	(3,302)
Interest expense and other, net	(3,739)	(1,667)
Unrealized foreign currency gain, net	(196)	(13)
Change in fair value of warrant asset	(46)	14
Net loss before income taxes	(6,283)	(4,968)
Income tax benefit	32	—
Net loss	(6,251)	(4,968)
Preferred stock dividends	—	(14)
Net loss applicable to common stockholders	$ (6,251)	$ (4,982)
Net loss per share — basic and diluted	$ (0.12)	$ (0.71)
Weighted average shares outstanding — basic and diluted	54,356,828	7,032,231

Revenue

We generate revenue primarily from sales of ILUVIEN and YUTIQ, our two products. In addition to generating revenue from product sales, we seek to generate revenue from other sources such as upfront fees, milestone payments in connection with collaborative or strategic relationships, and royalties resulting from the licensing of ILUVIEN or any future product candidates and other intellectual property. Revenue from our international distributors fluctuates depending on the timing of the shipment of ILUVIEN to the distributors and the distributors' sales of ILUVIEN to their customers.

Net revenue increased by $9.5 million, or 70%, to approximately $23.0 million for the three months ended March 31, 2024, compared to approximately $13.5 million for the three months ended March 31, 2023 driven by the addition of YUTIQ in the U.S. segment, as well as increased unit sales volumes of ILUVIEN in the International segment of our business.

Cost of Goods Sold, Excluding Depreciation and Amortization, and Gross Profit

Gross profit is affected by cost of goods sold, which includes costs of manufactured goods sold and royalty payments to EyePoint under the New Collaboration Agreement. Additionally, cost of goods sold by our international distributors fluctuates depending on the revenue share attributable to the respective contract.

Cost of goods sold, excluding depreciation and amortization, increased by $1.3 million, or 65%, to approximately $3.2 million for the three months ended March 31, 2024, compared to approximately $2.0 million for the three months ended March 31, 2023. The increase was primarily related to our increased product sales.

Gross profit increased by approximately $8.2 million, or 71%, to approximately $19.7 million for the three months ended March 31, 2024, compared to approximately $11.5 million for the three months ended March 31, 2023. For both periods ended March 31, 2024 and 2023, gross margin was 85%.

Research, Development and Medical Affairs Expenses

Currently, our research, development and medical affairs expenses are primarily focused on activities that support ILUVIEN and YUTIQ. These expenses include salaries and related expenses for research and development and medical affairs personnel, expenses related to clinical trials including our NEW DAY and SYNCHRONICITY studies. Our research, development and medical affairs expenses also include costs related to symposia development for physician education, and costs related to compliance with U.S. Food and Drug Administration, European Economic Area or other regulatory requirements. We expense both internal and external research and development costs as they are incurred.

Research, development and medical affairs expenses increased by $0.2 million, or 5%, to $4.4 million for the three months ended March 31, 2024, compared to approximately $4.2 million for the three months ended March 31, 2023. The increase was primarily attributable to increases of $0.2 million in consultant costs, $0.2 million in personnel costs, $0.1 million in registration costs for ILUVIEN under the Prescription Drug User Fee Act, partially offset by decreases of $0.2 million in clinical study costs and $0.2 million in applicator design costs.

General and Administrative Expenses

General and administrative expenses consist primarily of compensation for employees in executive and administrative functions, including finance, accounting, legal, information technology, and human resources. Other significant costs include facilities costs and professional fees for accounting and legal services, including legal services associated with obtaining and maintaining patents and managing license agreements. We expect to continue to incur significant costs to comply with the corporate governance, internal control and similar requirements applicable to public companies.

General and administrative expenses increased by $1.2 million, or 29%, to $5.4 million for the three months ended March 31, 2024, compared to approximately $4.2 million for the three months ended March 31, 2023. The increase was primarily attributable to an increase of $0.7 million in personnel costs, $0.5 million in stock-based compensation, $0.2 million in logistics fees and $0.1 million in professional fees. These increases are offset by a $0.7 million reduction in bad debt expenses.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of compensation for employees for commercial promotion of ILUVIEN and YUTIQ, including the assessment of the commercial opportunity, development of market awareness, pursuit of reimbursement approval, and commercialization generally, including launch plans in new markets. Other costs include third-party service fees, professional fees associated with developing plans for ILUVIEN and YUTIQ or any future products or product candidates and maintaining public relations.

Sales and marketing expenses increased by $3.3 million, or 57%, to $9.1 million for the three months ended March 31, 2024, compared to $5.8 million for the three months ended March 31, 2023. The increase was primarily attributable to an increase of $1.7 million in personnel costs, $0.7 million in marketing costs, and an overall increase in costs to market YUTIQ, attend conventions, promote our direct to patient marketing campaign, and costs associated with increasing customer engagement.

Operating Expenses

As a result of the increases and decreases in various expenses described above, total operating expenses increased by $7.2 million, or 49%, to $22.0 million for the three months ended March 31, 2024, compared to $14.8 million for the three months ended March 31, 2023. The increase was primarily attributable to increases of $0.1 million in research and development expenses, $2.4 million in depreciation and amortization, $3.4 million in sales and marketing expenses, and $1.2 million in general and administrative expenses, as described above.

Interest Expense and Other

Interest expense and other increased by $2.1 million, or 124%, to $3.7 million for the three months ended March 31, 2024, compared to $1.7 million for the three months ended March 31, 2023. This increase is primarily related to the triggering of exit fees as required under our loan agreements, as well as increased interest on additional borrowings under our credit facility.

Basic and Diluted Net Loss Applicable to Common Stockholders per Share of Common Stock

We follow FASB Accounting Standards Codification (“ASC”) *Earnings Per Share* (“ASC 260”), which requires the reporting of both basic and diluted earnings per share. As of March 31, 2023, because our preferred stockholders could participate in dividends equally with common stockholders (if we were to declare and pay dividends), we use the two-class method to calculate EPS. However, our preferred stockholders were not contractually obligated to share in losses. As of March 31, 2024, we no longer have any series of preferred stock outstanding.

Basic EPS is computed by dividing net (loss) income available to stockholders by the weighted average number of shares outstanding for the period. Diluted EPS is calculated in accordance with ASC 260 by adjusting weighted average shares outstanding for the dilutive effect of common stock options and warrants we have issued. In periods where a net loss is recorded, no effect is given to potentially dilutive securities, because the effect would be anti-dilutive.

Common stock equivalent securities that would potentially dilute basic EPS in the future but were not included in the computation of diluted EPS because they were either classified as participating and do not share in losses or would have been anti-dilutive. Those securities were approximately 6.6 million for the three months ended March 31, 2024, and 12.7 million for the three months ended March 31, 2023.

Results of Operations – Segment Review

The following selected unaudited financial and operating data are derived from our Interim Financial Statements. The results and discussions that follow reflect how executive management monitors the performance of our reporting segments.

Our U.S. and International segments represent the sales and marketing, general and administrative and research and development activities dedicated to the respective geographies. The Operating Cost segment primarily represents the general and administrative and research and development activities not specifically associated with the U.S. or International segments and includes expenses such as executive management; information technology administration and support; legal; compliance; clinical studies; and business development. In monitoring performance, aligning strategies and allocating resources, our chief operating decision maker ("CODM"), manages and evaluates our U.S., International and Operating Cost segments based on segment income or loss from operations adjusted for certain non-cash items, such as stock-based compensation expense and depreciation and amortization. Therefore, we classify within Other (a) the non-cash expenses included in research, development and medical affairs expenses; general and administrative expenses; and sales and marketing expenses; and (b) depreciation and amortization.

Each of our U.S., International and Operating Cost segments is separately managed and is evaluated primarily upon segment income or loss from operations. Other is presented to reconcile to our consolidated totals. For that reconciliation, please see Note 14 of the accompanying Interim Financial Statements. We do not report balance sheet information by segment because our CODM does not review that information. We allocate certain operating expenses among our reporting segments based on activity-based costing methods. These activity-based costing methods require us to make estimates that affect the amount of each expense category that is attributed to each segment. Changes in these estimates will directly affect the amount of expense allocated to each segment and therefore the operating profit of each reporting segment.

U.S. Segment Results

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Net revenue	$ 14,552	$ 7,582
Cost of goods sold, excluding depreciation and amortization	(1,424)	(905)
Gross profit	13,128	6,677
Operating expenses:		
Research, development and medical affairs expenses	1,300	1,162
General and administrative expenses	568	1,184
Sales and marketing expenses	6,953	4,274
Total operating expenses	8,821	6,620
Segment income from operations	$ 4,307	$ 57

U.S. Segment – three months ended March 31, 2024 compared to the three months ended March 31, 2023

Net revenue. Net revenue increased by approximately $7.0 million, or 92%, to $14.6 million for the three months ended March 31, 2024, compared to $7.6 million for the three months ended March 31, 2023. The increase was primarily driven by net revenue from YUTIQ, which was acquired in May 2023. YUTIQ net revenue for the three months ended March 31, 2024 was $6.5 million. In addition, the U.S. segment saw continued growth of ILUVIEN net revenue, as end-user demand, which represents units purchased by physicians and pharmacies from distributors, remained strong. The difference between U.S. GAAP revenue and end user demand is due to the timing of distributor purchases.

Cost of goods sold, excluding depreciation and amortization. Cost of goods sold, excluding depreciation and amortization, increased by $0.5 million, or 56%, to $1.4 million for the three months ended March 31, 2024, compared to approximately $0.9 million for the three months ended March 31, 2023. The increase was primarily attributable to our increased product sales led by the YUTIQ acquisition in May 2023.

Research, development and medical affairs expenses. Research, development and medical affairs expenses increased by $0.1 million, or 8%, to $1.3 million for the three months ended March 31, 2024, compared to approximately $1.2 million for the three months ended March 31, 2023. The increase was primarily attributable to an increase of $0.1 million in registration costs primarily related to YUTIQ under the Prescription Drug User Fee Act.

General and administrative expenses. General and administrative expenses decreased by $0.6 million, or 50%, to $0.6 million for the three months ended March 31, 2024, compared to $1.2 million for the three months ended March 31, 2023. The decrease was primarily attributable to a $0.5 million decrease in bad debt expense and a $0.3 million decrease in insurance costs.

Sales and marketing expenses. Sales and marketing expenses increased by approximately $2.7 million, or 63%, to approximately $7.0 million for the three months ended March 31, 2024, compared to approximately $4.3 million for the three months ended March 31, 2023. The increase was primarily attributable to an increase of $1.5 million in personnel costs and $1.4 million in marketing costs, including costs to attend conventions, costs related to our direct-to-patient marketing campaign, costs associated with customer engagement, and costs to market YUTIQ.

International Segment Results

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Net revenue	$ 8,459	$ 5,964
Cost of goods sold, excluding depreciation and amortization	(1,929)	(1,123)
Gross profit	6,530	4,841
Operating expenses:		
Research, development and medical affairs expenses	684	756
General and administrative expenses	561	716
Sales and marketing expenses	1,548	1,415
Total operating expenses	2,793	2,887
Segment income from operations	$ 3,737	$ 1,954

International Segment - three months ended March 31, 2024 compared to the three months ended March 31, 2023

Net revenue. Net revenue increased by $2.5 million, or 42%, to $8.5 million for the three months ended March 31, 2024 compared to $6.0 million for the three months ended March 31, 2023. The increase was primarily due to significant demand gains in both the direct and distributor markets.

Cost of goods sold, excluding depreciation and amortization. Cost of goods sold, excluding depreciation and amortization increased by $0.8 million, or 73% to $1.9 million for the three months ended March 31, 2024, compared to $1.1 million for the three months ended March 31, 2023. The increase was primarily attributable to increased product sales.

Research, development and medical affairs expenses. Research, development and medical affairs expenses decreased by $0.1 million, or 13%, to $0.7 million for the three months ended March 31, 2024, compared to $0.8 million for the three months ended March 31, 2023.

General and administrative expenses. General and administrative expenses increased by approximately $0.1 million or 14%, to $0.6 million for the three months ended March 31, 2024 , compared to $0.7 million for the three months ended March 31, 2023. The primary changes were a reduction in bad debt expense of $0.2 million offset by an increase of $0.2 million in logistics fees for the current period.

Sales and marketing expenses. Sales and marketing expenses increased by $0.1 million, or 7%, to $1.5 million for the three months ended March 31, 2024, compared to $1.4 million for the three months ended March 31, 2023.

Operating Cost Segment Results

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Operating expenses:		
Research, development and medical affairs expenses	$ 2,326	$ 2,224
General and administrative expenses	3,657	2,116
Sales and marketing expenses	434	66
Total operating expenses	6,417	4,406
Segment loss from operations	$ (6,417)	$ (4,406)

Operating Cost Segment - three months ended March 31, 2024 compared to the three months ended March 31, 2023

Research, development and medical affairs expenses. Research, development and medical affairs expenses increased by $0.1 million, or 5%, to $2.3 million for the three months ended March 31, 2024, compared to $2.2 million for the three months ended March 31, 2023. The increase was primarily attributable to increases of $0.2 million in personnel costs, $0.2 million in consultant costs, and $0.1 million in safety and quality related costs, partially offset by decreases of $0.3 million in clinical study costs, and $0.2 million in applicator design costs.

General and administrative expenses. General and administrative expenses increased by approximately $1.6 million, or 76%, to $3.7 million for the three months ended March 31, 2024, compared to $2.1 million for the three months ended March 31, 2023. The increase was primarily attributable to increases of $0.7 million in personnel costs, $0.3 million in insurance costs, $0.1 million in professional fees, and $0.1 million in office costs.

Sales and marketing expenses. Sales and marketing expenses increased by $0.4 million, or 300%, to $0.4 million for the three months ended March 31, 2024, compared to less than $0.1 million for the three months ended March 31, 2023. The increase was primarily attributable to an increase in personnel costs.

Other

In monitoring performance, aligning strategies and allocating resources, our CODM manages and evaluates our U.S., International and Operating Cost segments based on segment income or loss from operations adjusted for certain non-cash items, such as stock-based compensation expense and depreciation and amortization. Therefore, we classify within Other: the non-cash expenses included in research, development and medical affairs expenses, general and administrative expenses, sales and marketing expenses; and depreciation and amortization. Other is presented to reconcile to our consolidated totals.

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Operating expenses:		
Research, development and medical affairs expenses	$ 51	$ 22
General and administrative expenses	646	155
Sales and marketing expenses	147	49
Depreciation and amortization	3,085	681
Total operating expenses	3,929	907
Segment loss from operations	$ (3,929)	$ (907)

Operating expenses. Operating expenses in Other increased by $3.0 million, or 333%, to $3.9 million for the three months ended March 31, 2024, compared to $0.9 million for the three months ended March 31, 2023. The increase was primarily attributable to an increase of $2.4 million in depreciation and amortization expenses, as described below, and an increase of $0.5 million in general administrative expenses relating to stock compensation expenses.

Depreciation and amortization. Depreciation and amortization increased by $2.4 million, or 343%, to $3.1 million for the three months ended March 31, 2024, compared to $0.7 million for the three months ended March 31, 2023. The increase was primarily attributable to amortization of the YUTIQ intangible asset which was acquired in May 2023.

Liquidity and Capital Resources

Overview

Since inception, we have incurred recurring losses, negative cash flow from operations and have accumulated a deficit in stockholders' equity of $424.7 million as of March 31, 2024.

Current Cash Position

As of March 31, 2024, we had $14.3 million in cash, cash equivalents and restricted cash. Cash and cash equivalents include highly liquid investments that are readily convertible into cash and have a maturity of 90 days or less when purchased. Generally, cash, cash equivalents and restricted cash held at financial institutions are in excess of federally insured limits.

We believe our commercial operations will generate sufficient cash flow, combined with our current financial assets, to fund all conditional and unconditional financial obligations for at least the next 12 months. However, we may need to raise alternative or additional financing to fund our operations and support growth. The source, timing, and availability of any future financing will depend upon market conditions and other factors that may be outside of our control. Funding may not be available when needed, at all, or on terms acceptable to us. If we were to raise additional funds by issuing equity securities, substantial dilution to existing stockholders could result, and the terms of any new equity securities may have a preference over our common stock. If we were to attempt to raise additional funds through strategic collaboration agreements, we may not be successful in obtaining those agreements, or in receiving milestone or royalty payments under them. If we were to attempt to raise additional funds through debt financing, we would be required to obtain permission or participation of SLR Investment Corp., which we might not be able to obtain.

Sources and Uses of Cash for the three months ended March 31, 2024 compared to the three months ended March 31, 2023

Operating Activities

For the quarter ending March 31, 2024, net cash used in operating activities was $0.6 million, which primarily consisted of $6.3 million of net loss, offset by non-cash adjustments: 1) depreciation and amortization of $3.1 million; 2) amortization of debt discount and deferred financing costs of $0.2 million; provision for credit losses of $0.2 million and 3) share-based compensation expense of $0.8 million. A cash increase of $1.1 million from the management of working capital was driven primarily by accounts payable and other long-term liabilities and offset by accrued expenses and other current liabilities, accounts receivable, prepaid expenses and other current assets and inventory.

For the quarter ending March 31, 2023, net cash used in operating activities was $2.2 million, which primarily consisted of $5.0 million of net loss, offset by non-cash adjustments: 1) depreciation and amortization of $0.7 million; 2) amortization of debt discount and deferred financing costs of $0.3 million; and 3) share-based compensation expense of $0.2 million. A cash increase of $1.6 million from the management of working capital was primarily driven by accounts receivable and inventory, partially offset by accounts payable.

Investing Activities

For the quarter ending March 31, 2024 and 2023, net cash used in investing activities was less than $0.1 million for both periods. Cash used for both periods were related to the acquisition of property and equipment.

Financing Activities

For the quarter ending March 31, 2024, net cash provided by financing activities was $3.0 million, which primarily consisted of $5.0 million in gross proceeds in connection with the closing of the Seventh Amendment to the 2019 Loan Agreement (described further below). Cash provided by financing activities was offset by a $1.9 million payment of accrued licensor obligations, $0.1 million in debt issuance costs and $0.1 million in finance lease obligations.

For the quarter ending March 31, 2023, net cash provided by financing activities was $10.0 million, which consisted of $12.0 million in gross proceeds received from the Tranche 1 closing of our Series B Convertible Preferred Stock financing and an additional $2.5 million in cash in connection with the Fifth Amendment to the 2019 Loan Agreement (described further below). Cash provided by financing activities was offset by $0.5 million for issuance costs related to our Series B Convertible Preferred Stock, $0.9 million to repurchase and eliminate our Series A Convertible Preferred Stock (“Series A Preferred Stock”) and $2.6 million for the payment of debt costs.

Indebtedness

Loans from SLR Investment Corp. (“SLR”)

In December 2019, we refinanced our previously outstanding debt facility by entering into a $45.0 million loan and security agreement (the “2019 Loan Agreement”) with SLR, as Agent, and the parties signing the loan agreement from time to time as Lenders, including SLR in its capacity as a Lender (collectively, the “Lender(s)”). The 2019 Loan Agreement has been amended on multiple occasions.

On February 22, 2022, we entered into a Third Amendment to the 2019 Loan Agreement (the “Third Amendment”), which among other things:

(a) specified the minimum revenue amount, calculated on a trailing six-month basis and tested at the end of each calendar quarter in 2022, that we must achieve for each such period (the “Third Revenue Covenant”);

(b) consented to maintaining a lower minimum revenue amount under the Third Revenue Covenant for the trailing six-month period ended December 31, 2021 than previously required under the 2019 Loan Agreement (and waived any event of default that may have occurred or may be deemed to have occurred as a result of our lower revenue amount for that period); and

(c) required that the Third Revenue Covenant be tested at June 30, 2023 and at the last day of each quarter thereafter, with the minimum revenue amount equal to a percentage of our projected revenues in accordance with an annual plan we must submit to the Collateral Agent by January 15 of such year, such plan to be thereafter approved by our Board of Directors (the “Board”) and the Collateral Agent in its sole discretion no later than February 28 of such year.

On December 7, 2022, we entered into a Fourth Amendment to the 2019 Loan Agreement (the “Fourth Amendment”), which among other things:

(a) extended the amortization date from January 1, 2023 to April 1, 2023, provided that such date could be further extended to July 1, 2023 upon our request and in consultation with the Lenders, in each of the Lenders’ sole discretion;

(b) specified the minimum revenue amount, calculated on a trailing six-month basis and tested at the end of each calendar quarter in 2023, that we must achieve for each such period (the "Fourth Revenue Covenant"); and

(c) required that the Fourth Revenue Covenant be tested at June 30, 2024 and at the last day of each quarter thereafter, with the minimum revenue amount equal to a percentage of our projected revenues in accordance with an annual plan submitted to the Collateral Agent by January 15th of such year, such plan to be thereafter approved by the Board and the Collateral Agent in its sole discretion no later than February 28 of such year.

On March 24, 2023, we entered into a Fifth Amendment to the 2019 Loan Agreement (the "Fifth Amendment"), which among other things:

(a) added an additional tranche of $2.5 million to increase the existing term loan facility to $47.5 million, subject to certain closing conditions;

(b) extended availability of $15.0 million to be funded at the Lender's sole discretion;

(c) specified an annual interest rate equal to 5.15% plus the greater of (i) 4.60% and (ii) one-month SOFR, which will reset monthly;

(d) extended the maturity date to April 30, 2028 and the interest-only period to April 30, 2025, which may be extended an additional 12 months if the Company meets certain financial targets by April 20, 2025; and

(e) specified the minimum revenue amount, calculated on a trailing six-month basis beginning with the six month period ended September 30, 2023, and tested at the end of each calendar quarter, that the Company must achieve for each such period.

On May 17, 2023, we entered into a Sixth Amendment to the 2019 Loan Agreement (the "Sixth Amendment"), which among other things:

(a) increased the availability to be funded at the Lender's sole discretion from $15.0 million to $20.0 million;

(b) the Lender funded the $20.0 million of availability;

(c) specified the minimum revenue amount calculated on a trailing six-month basis and tested at the end of each calendar quarter in 2023 and 2024, that we must achieve for each such period.

On March 6, 2024, we entered into the Seventh Amendment to the 2019 Loan Agreement, (the "Seventh Amendment"), which among other things:

(a) added an additional tranche of $5.0 million to increase the existing term loan facility to $72.5 million;

(b) the Lender funded the $5.0 million increase to the existing term loan facility;

(c) reaffirmed the maturity date of the 2019 Loan Agreement as April 30, 2028, and the interest-only period remains in effect through April 30, 2025. The interest-only period may be extended an additional 12 months if Alimera meets certain financial targets by April 20, 2025.

We currently have no additional borrowing capacity, and the 2019 Loan Agreement generally prohibits any additional debt unless we obtain the prior consent of the Lenders.

The Federal Reserve raised interest rates seven times in 2022 and four times in 2023 to try and combat the effects of inflation. In 2024, the Federal Reserve has commented that interest rate reductions are expected in 2024, however, interest rate reductions may not incur unless the effects of inflation start to recede. An increase in SOFR would increase our interest costs. Significant increases in our interest costs could materially and adversely affect our results of operations and our ability to pay amounts due under the 2019 Loan Agreement, including various amendments, and any increase in the interest we pay would reduce our cash available for working capital, acquisitions, and other uses.

We have maintained compliance with our revenue covenant throughout 2023 and 2024, including at March 31, 2024. We expect to comply with the revenue covenant for the remaining measurement date in 2024. If we fail to comply with the revenue covenant and the lenders do not provide consent and waiver, acceleration of the maturity of the loan is one of the remedies available to the lenders. If the lenders accelerate the maturity of the loan, we would be forced to find alternative financing or enter into an alternative agreement with the lenders. We cannot be sure that alternative financing will be available when needed or that, if available, the alternative financing could be obtained on terms that are not significantly detrimental to us or our stockholders.

Series A Convertible Preferred Stock and Elimination

In October 2012, the Company closed its preferred stock financing in which it sold units consisting of 1,000,000 shares of Series A Preferred Stock and warrants (which expired on October 1, 2017) to purchase 300,000 shares of Series A Preferred Stock for gross proceeds of $40.0 million prior to the payment of approximately $0.6 million of related issuance costs. The Company subsequently repurchased all of its outstanding Series A Preferred Stock on March 24, 2023. Following such repurchase, the Company filed a certificate of elimination of the Series A Preferred Stock with the Secretary of State of the State of Delaware. The authorized shares of Series A Preferred Stock were returned to the status of authorized but unissued shares of preferred stock of the Company, without designation as to series.

Series B Preferred Stock Financings and Elimination

In March 2023, we issued and sold an aggregate of 12,000 shares of Series B Convertible Preferred Stock at a per-share purchase price of $1,000 and warrants to purchase common stock for aggregate gross proceeds of $12.0 million. In May 2023, we issued and sold an aggregate of 67,000 shares of Series B Convertible Preferred Stock at a per-share purchase price of $1,000 and warrants to purchase common stock for aggregate gross proceeds of $67.0 million. On August 1, 2023, we amended the Certificate of Designation of Series B Convertible Preferred Stock to allow for the issuance of Pre-Funded Warrants. Stockholder approval was received at our 2023 annual meeting of stockholders held on August 1, 2023, and we designated August 15, 2023 as the date for Mandatory Conversion of the Series B Convertible Preferred Stock into our common stock and Pre-Funded Warrants to purchase common stock. In connection with the Mandatory Conversion, we issued 43,617,114 shares of common stock and Pre-Funded Warrants exercisable for 2,000,000 shares of common stock to the holders of the Series B Convertible Preferred Stock. Following the Mandatory Conversion, no shares of the Series B Convertible Preferred Stock remain outstanding.

Common and Preferred Stock

The Company's authorized capital stock consists of (a) 150,000,000 shares of common stock, par value $0.01 per share; and (b) 10,000,000 shares of preferred stock, par value $0.01 per share. At March 31, 2024 and December 31, 2023, there were 52,374,687 and 52,354,450 shares of common stock issued and outstanding.

Contractual Obligations and Commitments

The NEW DAY Study. In January 2020, we began entering into agreements with contract research organizations ("CROs") and physician clinics in connection with a multicenter, single masked, randomized and controlled trial designed to generate prospective data evaluating ILUVIEN as a baseline therapy in the treatment of DME and demonstrate its advantages over the current standard of care of repeat anti-VEGF injections (the "NEW DAY Study"). The NEW DAY Study has enrolled approximately 300 treatment-naïve, or almost naïve, DME patients in approximately 40 sites around the U.S. For the three months ended March 31, 2024 and 2023, we incurred approximately $1.0 million and $1.5 million, respectively, of expense associated with the NEW DAY Study. In connection with the NEW DAY Study, we expect to incur additional expenses of $3.0 million for the remainder of 2024, and less than $1.0 million in 2025.

Manufacturing Services Agreement with Alliance. In February 2016, we and Alliance Medical Products Inc., a Siegfried Company (Alliance), a third-party manufacturer, amended and restated the parties' existing agreement for the manufacture of the ILUVIEN implant, the assembly of the ILUVIEN applicator and the packaging of the completed ILUVIEN commercial product. Under the amended and restated Alliance agreement, its term was extended by five years, at which point the agreement became automatically renewable for successive one-year periods unless either party delivers notice of non-renewal to the other party at least 12 months before the end of the term or any renewal term. We are responsible for supplying the ILUVIEN applicator and the active pharmaceutical ingredient, and we must order at least 80% of the ILUVIEN units required in the covered territories from Alliance.

Manufacturing Services Agreement with Cadence. On October 30, 2020, we entered into a Manufacturing Services Agreement (the Cadence Agreement) with Cadence, Inc., for the manufacture of certain component parts of the ILUVIEN applicator (the components) at its facility near Pittsburgh, Pennsylvania. Under the Cadence Agreement, we will pay certain per-unit prices based on regularly scheduled shipments of a minimum number of components. The initial term of the Cadence Agreement expires on October 30, 2025. After the expiration of the initial term, the Cadence Agreement will automatically renew for separate, successive one-year terms unless either party provides written notice to the other party that it does not intend to renew the Cadence Agreement at least 24 months before the end of the term. The Cadence Agreement may be terminated by either party under certain circumstances. We have transferred the manufacturing of component parts of the ILUVIEN inserter to Cadence from our prior manufacturer and have spent cash resources to purchase new equipment, to update clean room facilities and to assist in the regulatory approval process. In connection with the Cadence Agreement, we expect to be invoiced less than $1.0 million for the remainder of 2024.

Off-Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, that would have been established to facilitate off-balance sheet arrangements (as that term is defined in Item 303(a)(4)(ii) of SEC Regulation S-K) or other contractually narrow or limited purposes. As such, we are not exposed to any financing,

liquidity, market or credit risk that could arise if we had engaged in those types of relationships. We enter into guarantees in the ordinary course of business related to the guarantee of our own performance and the performance of our subsidiaries.

Impact of Recent Accounting Pronouncements

See Note 3 in the Interim Financial Statements for a description of recent accounting pronouncements, including the expected dates of adoption and expected effects on results of operations and financial condition, if known.

Foreign Exchange

Our international operations are subject to certain opportunities and risks, including currency fluctuations and governmental actions. The impact of fluctuations in foreign currency exchange rates decreased our net product revenue for the three months ended March 31, 2024 by approximately $0.1 million.

Non-GAAP Financial Measure

We provide all information required in accordance with U.S. GAAP, but we believe that evaluating our ongoing operating results may be difficult if limited to reviewing only U.S. GAAP financial measures. In an effort to provide investors with additional information regarding our results, we also provide non-GAAP information that management believes is useful to investors. We discuss net income (loss) performance measures that are, for comparison purposes, adjusted to eliminate items or results stemming from discrete events. We do this because management uses these measures in evaluating our underlying performance on a consistent basis across periods. We also believe non-GAAP measures are frequently used by securities analysts, investors and other interested parties in the evaluation of our ongoing performance.

See the table below entitled “Reconciliation of GAAP Net Loss to Non-GAAP Adjusted EBITDA.” U.S. GAAP net loss is the most directly comparable U.S. GAAP financial measure to adjusted EBITDA.

This non-GAAP financial measure, as presented, may not be comparable to a similarly titled measure reported by other companies because not all companies adjust revenue for currency fluctuations in an identical manner. Therefore, this non-GAAP financial measure is not necessarily an accurate measure of comparison between companies.

The presentation of this non-GAAP financial measure is not intended to be considered in isolation or as a substitute for guidance prepared in accordance with U.S. GAAP. The principal limitation of this non-GAAP financial measure is that it excludes significant elements required by U.S. GAAP to be recorded in Alimera’s financial statements. In addition, this non-GAAP financial measure is subject to inherent limitations because it reflects the exercise of judgment by management in determining it.

Reconciliation of U.S. GAAP Net Loss to Non-GAAP Adjusted EBITDA (unaudited)

	Three Months Ended March 31,	
	2024	2023
	(In thousands)	
U.S. GAAP net loss	$ (6,251)	$ (4,968)
Adjustments to U.S. GAAP net loss:		
Interest expense and other, net	3,739	1,667
Income tax benefit	(32)	—
Depreciation and amortization	3,085	681
Stock-based compensation	845	226
Foreign currency exchange losses	196	13
Change in fair value of warrant asset	46	(14)
Severance expenses	176	—
Non-GAAP adjusted EBITDA	$ 1,804	$ (2,395)

ITEM 3. *Quantitative and Qualitative Disclosures About Market Risk*

Because we are allowed to comply with the disclosure obligations applicable to a “smaller reporting company,” as defined by Rule 12b-2 of the Exchange Act, with respect to this Quarterly Report on Form 10-Q, we are not required to provide the information required by this Item.

ITEM 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and the Chief Financial Officer, we evaluated the effectiveness of the design and operation of our “disclosure controls and procedures” (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2024.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the three months ended March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Control systems, no matter how well conceived and operated, are designed to provide a reasonable, but not an absolute, level of assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Because of the inherent limitations in any control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

ITEM 1. *Legal Proceedings*

From time to time, we may become subject to legal proceedings, claims, and litigation arising in the ordinary course of business. We currently are not a party to any threatened or pending material litigation and do not have contingency reserves established for any litigation liabilities. However, third parties might allege that we are infringing their patent rights or that we are otherwise violating their intellectual property rights, including trade names and trademarks. Such third parties may resort to litigation. We accrue contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

ITEM 1A. *Risk Factors*

In the 2023 Form 10-K, we identify under Item 1A of Part I important factors that could affect our business, financial condition, results of operations and future operations and could cause our actual results for future periods to differ materially from our anticipated results or other expectations, including those expressed in any forward-looking statements made in this Quarterly Report on Form 10-Q. However, the risks described in the 2023 Form 10-K are not the only risks we face. Additional risks and uncertainties that we currently deem to be immaterial or not currently known to us, as well as other risks reported from time to time in our reports to the Securities and Exchange Commission ("SEC"), also could cause our actual results to differ materially from our anticipated results or other expectations. There have been no material changes in our risk factors since the filing of the 2023 Form 10-K, other than the addition of the text below.

Prolonged economic uncertainties or downturns, as well as unstable market, credit and financial conditions, may exacerbate certain risks affecting our business and have serious adverse consequences on our business.

Economic conditions, and uncertainty as to the general direction of the macroeconomic environment, are beyond our control. In recent years, the United States and other significant markets have experienced cyclical downturns and worldwide economic conditions remain uncertain, particularly as a result of increased inflationary and recessionary pressures, and related market and macroeconomic responses including interest rate increases. Furthermore, sustained uncertainty about, or worsening of, geopolitical tensions, including further escalation of war between Russia and Ukraine, further escalation of trade tensions between the U.S. and China, escalation of tensions between China and Taiwan, further escalation in the conflict between Israel and Hamas, as well as further escalation of tensions between Israel and various countries in the Middle East and North Africa, could result in a global economic slowdown or increased market volatility, increased cyber-attacks, supply chain disruptions or increases in costs necessary to manufacture our products, and a deterioration in political and trade relationships worldwide. Any changes related to these and other factors could adversely affect our business, both in the U.S. and internationally.

Economic uncertainty and associated macroeconomic conditions, including geopolitical tensions, escalating inflation, supply chain issues and the availability and cost of credit and government stimulus programs in the U.S. and other countries have contributed, and may continue to contribute, to increased market volatility or market declines, and make it extremely difficult for our partners, suppliers, and us to accurately forecast and plan future business activities. Sales of our products will depend, in large part, on reimbursement from government health administration authorities, private health insurers, distribution partners and other organizations in the U.S., Germany, Portugal, Ireland, the U.K. and other countries. Negative trends in the general economy in any of the jurisdictions in which we may do business may cause these organizations to be unable to satisfy their reimbursement obligations or to delay payment. In addition, health authorities in some jurisdictions may reduce reimbursements, and private insurers may increase their scrutiny of claims. A reduction in the availability or extent of reimbursement could negatively affect our product sales and revenue.

ITEM 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

None.

ITEM 3. *Defaults Upon Senior Securities*

None.

ITEM 4. *Mine Safety Disclosures*

Not applicable.

ITEM 5. *Other Information*

Not applicable.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of Registrant, as amended on various dates (filed as Exhibit 3.1 to the Registrant's Annual Report on Form 10-K, as filed on March 2, 2020, and incorporated herein by reference).
3.2	Certificate of Designation of Series B Convertible Preferred Stock (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K, as filed on March 27, 2023, and incorporated herein by reference).
3.3	Certificate of Amendment to Certificate of Designation of Series B Convertible Preferred Stock (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K, as filed on May 18, 2023, and incorporated herein by reference).
3.4	Certificate of Amendment to Certificate of Designation of Series B Convertible Preferred Stock (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K, as filed on August 2, 2023, and incorporated herein by reference).
3.5	Certificate of Elimination of Series B Convertible Preferred Stock (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K, as filed on August 15, 2023, and incorporated herein by reference).
3.6	Amended and Restated Bylaws of the Registrant, as amended (filed as Exhibit 3.2 to the Registrant's Annual Report on Form 10-K, as filed on March 2, 2020 and incorporated herein by reference).
4.1	Form of Pre-Funded Warrant (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K, as filed on August 2, 2023, and incorporated herein by reference).
10.1	Chairman Emeritus Agreement, dated as of August 1, 2023 by and between Alimera Sciences, Inc. and C. Daniel Myers (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K, as filed on August 2, 2023, and incorporated herein by reference).
10.2	Alimera Sciences, Inc. 2023 Equity Incentive Plan and forms of award agreements thereunder (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K, as filed on August 2, 2023, and incorporated herein by reference).
10.3	Alimera Sciences, Inc. 2024 Equity Inducement Plan as Adopted on February 8, 2024 (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K, as filed February 9, 2024, and incorporated herein by reference)
10.4*	Seventh Amendment to Loan and Security Agreement dated as of March 6, 2024, by and among Alimera Sciences, Inc., SLR Investment Corp., as Collateral Agent, and the parties signatory thereto as Lenders, including SLR in its capacity as a Lender
31.1*	Certification of the Principal Executive Officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of the Chief Executive Officer and Chief Financial Officer, as required by Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Loss, (iv) Condensed Consolidated Statements of Cash Flows, (v) Condensed Consolidated Statements of Changes in Stockholders' Deficit and (vi) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101).

* Filed herewith
** Furnished herewith

The certification attached as Exhibit 32.1 that accompanies this Quarterly Report on Form 10-Q is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Alimera Sciences, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALIMERA SCIENCES, INC.

May 14, 2024

By: /s/ Richard S. Eiswirth, Jr.
Richard S. Eiswirth, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 10.4

Execution Version

CERTAIN INFORMATION CONTAINED IN THIS DOCUMENT MARKED BY [***] HAS BEEN OMITTED BECAUSE IT IS NOT MATERIAL AND OF THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

SEVENTH AMENDMENT TO LOAN AND SECURITY AGREEMENT

THIS **SEVENTH AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this "**Amendment**"), dated as of March 6, 2024 (the "**Seventh Amendment Effective Date**"), by and among SLR Investment Corp., a Maryland corporation (formerly known as Solar Capital LTD.) ("**SLR**"), as collateral agent (in such capacity, together with its successors and assigns in such capacity, "**Collateral Agent**"), the lenders party hereto including SLR in its capacity as a Lender (each a "**Lender**" and collectively, the "**Lenders**"), and Alimera Sciences, Inc., a Delaware corporation ("**Borrower**").

W I T N E S S E T H:

WHEREAS, Borrower, the Lenders, and Collateral Agent are parties to that certain Loan and Security Agreement, dated as of December 31, 2019 (as amended by the First Amendment to Loan and Security Agreement, dated as of May 1, 2020, by that certain Second Amendment to Loan and Security Agreement dated as of March 30, 2021, by that certain Third Amendment to Loan and Security Agreement dated as of February 22, 2022, by that certain Fourth Amendment to Loan and Security Agreement dated as of December 7, 2022, by that certain Fifth Amendment to Loan and Security Agreement dated as of March 24, 2023, by that certain Sixth Amendment to Loan and Security Agreement dated as of May 17, 2023, and as further amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "**Existing Agreement**"; and the Existing Loan Agreement, as amended by this Amendment and as further amended, restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**").

WHEREAS, Borrower has requested certain amendments to the Existing Agreement as more fully set forth herein and Collateral Agent and the Lenders are willing to agree to such request, subject to and in accordance with the terms and conditions set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises, covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower, the Lenders, and Collateral Agent hereby agree as follows:

1. DEFINITIONS; INTERPRETATION.

(a) **Terms Defined in Loan Agreement**. All capitalized terms used in this Amendment (including in the recitals hereof) and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

(b) **Interpretation**. The rules of interpretation set forth in Section 1.1 of the Loan Agreement shall be applicable to this Amendment and are incorporated herein by this reference.

2. AMENDMENTS TO THE EXISTING LOAN AGREEMENT.

(a) Upon satisfaction of the conditions set forth in Section 3 hereof, the Existing Loan Agreement is hereby amended as follows:

(i) Definitions Chart. The chart of definitions in Section 1.4 is amended as follows: (A) a new line for "Term E Loans" is added, which is defined in Section 2.2(a)(v), and (B) the Section reference for "Term Loan(s)" is changed to Section 2.2(a)(v).

(ii) New Definitions. The following definitions are added to Section 1.4 in their proper alphabetical order:

"**Seventh Amendment**" means that certain Seventh Amendment to Loan and Security Agreement, dated as of the Seventh Amendment Effective Date, by and among Borrower, Collateral Agent and Lenders.

"**Seventh Amendment Effective Date**" means March 6, 2024.

"**Term E Loan Draw Period**" is the period (i) commencing on the Seventh Amendment Effective Date and (ii) ending on March 14, 2024.

(iii) Section 2.2(a)(iv). Section 2.2(a)(iv) of the Existing Agreement is hereby amended and restated as follows:

(iv) Subject to the terms and conditions of this Agreement and the Sixth Amendment, the Lenders agree, severally and not jointly, to make loans to Borrower on the Sixth Amendment Effective Date, in an aggregate principal amount of up to Twenty Million Dollars ($20,000,000) according to each Lender's Term D Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as the " **Term D Loan**"). After repayment, no Term D Loan may be re-borrowed.

(iv) Section 2.2(a)(v). A new Section 2.2(a)(v) is hereby inserted in proper order as follows:

(v) Subject to the terms and conditions of this Agreement and the Seventh Amendment, the Lenders agree, severally and not jointly, to make loans to Borrower during the Term E Loan Draw Period, in an aggregate principal amount of up to Five Million Dollars ($5,000,000) according to each Lender's Term E Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as the "**Term E Loan**"; each Term A Loan, Term B Loan, Term C Loan, Term D Loan, and Term E Loan are hereinafter referred to collectively as the "**Term Loans**"). After repayment, no Term E Loan may be re-borrowed.

(v) Lenders and Commitments. Schedule 1.1 of the Existing Agreement, the Schedule of Lenders and Commitments, is hereby amended and restated in its entirety with Annex A hereto.

(b) **References Within Existing Loan Agreement**. Each reference in the Existing Loan Agreement to "this Agreement" and the words "hereof," "herein," "hereunder," or words of like import, shall mean and be a reference to the Existing Loan Agreement as amended by this Amendment. This Amendment shall be a Loan Document.

3. CONDITIONS TO EFFECTIVENESS. This Amendment shall become effective upon satisfaction of each of the conditions specified below:

(a) **This Amendment**. Collateral Agent shall have received one or more counterparts of this Amendment, duly executed, completed and delivered by Collateral Agent, each Lender and Borrower;

(b) **Fees and Expenses**. Borrower shall have paid (i) all invoiced costs and expenses of Collateral Agent and the Lenders party hereto, and the reasonable and documented fees and disbursements of counsel to Collateral Agent and the Lenders party hereto, in connection with the negotiation, preparation, execution and delivery of this Amendment and any other documents to be delivered in connection herewith on the Seventh Amendment Effective Date or after such date, and (ii) all other fees, costs and expenses, if any, due and payable as of the Seventh Amendment Effective Date under the Loan Agreement.

(c) **Representations and Warranties; No Default**. As of the date of this Amendment, after giving effect to the amendment of the Loan Agreement contemplated hereby:

(i) The representations and warranties contained in Section 4 of this Amendment shall be true and correct on and as of the date of this Amendment as though made on and as of such date; and

(ii) There exists no Default or Event of Default; and

(d) Collateral Agent shall have received all other documents and instruments as Collateral Agent or any Lender may reasonably deem necessary or appropriate to effectuate the intent and purpose of this Amendment.

4. REPRESENTATIONS AND WARRANTIES. To induce Collateral Agent and the Lenders to enter into this Amendment, Borrower hereby confirms, as of the date hereof, (a) that the representations and warranties made by it in Section 5 of the Loan Agreement and in the other Loan Documents are true and correct in all material respects; *provided*, *however*, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof, *provided, further*, that to the extent such representations and warranties by their terms expressly relate only to a prior date such representations and warranties shall be true and correct as of such prior date; (b) that there has not been and there does not exist a Material Adverse Change; (c) reserved; (d) Collateral Agent and the Lenders have and shall continue to have valid, enforceable and perfected first-priority liens, subject only to Permitted Liens, on and security interests in the Collateral and all other collateral heretofore granted by Borrower to Collateral Agent and the Lenders pursuant to the Loan Documents or otherwise granted to or held by Collateral Agent and the Lenders; (e) the agreements and obligations of Borrower contained in the Loan Documents and in this Amendment constitute the legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by the application of general principles of equity; and (f) the execution, delivery and performance of this Amendment by Borrower will not (i) conflict with Borrower's organizational documents, including its Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law applicable thereto, (iii) contravene, conflict or violate any applicable material order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its property or assets may be bound or affected, and (iv) constitute an event of default under any material agreement by which Borrower or any of its properties is bound, the termination or noncompliance with which could reasonably be expected to have a Material Adverse Change. For the purposes of this Section, each reference in Section 5 of the Loan Agreement to "this Agreement," and the words "hereof," "herein," "hereunder," or words of like import in such Section, shall mean and be a reference to the Loan Agreement as amended by this Amendment.

5. LOAN DOCUMENTS OTHERWISE NOT AFFECTED; REAFFIRMATION; NO NOVATION.

(a) Except as expressly amended pursuant hereto or referenced herein, the Loan Agreement and the other Loan Documents shall remain unchanged and in full force and effect and are hereby ratified and confirmed in all respects. The Lenders' and Collateral Agent's execution and delivery of, or acceptance of, this Amendment shall not be deemed to create a course of dealing or otherwise create any express or implied duty by any of them to provide any other or further amendments in the future.

(b) Borrower hereby expressly (1) grants, reaffirms, ratifies and confirms its Obligations under the Loan Agreement and the other Loan Documents, (2) grants, reaffirms, ratifies and confirms the grant of security under Section 4 of the Loan Agreement, (3) grants and reaffirms that such grant of security in the Collateral secures all Obligations under the Loan Agreement, and with effect from (and including) the date hereof, such grant of security in the Collateral: (x) remains in full force and effect; and (y) secures all Obligations under the Loan Agreement, as amended by this Amendment, and the other Loan Documents, (4) agrees that this Amendment shall be a "Loan Document" under the Loan Agreement, and (5) agrees that the Loan Agreement and each other Loan Document shall remain in full force and effect following any action contemplated in connection herewith.

(c) Borrower hereby expressly reaffirms, ratifies, and confirms its obligations under (1) that certain Exit Fee Agreement, dated as of January 5, 2018, by and among SLR, the lenders party thereto, and Borrower, as amended, amended and restated, supplemented or otherwise modified from time to time, (2) that certain Exit Fee Agreement, dated as of December 31, 2019, by and among SLR, the lenders party thereto, and Borrower, as amended, amended and restated, supplemented or otherwise modified from time to time, (3) that certain Fifth Amendment Exit Fee Agreement, dated as of March 24, 2023, by and among SLR, the lenders party thereto, and Borrower, as amended, amended and restated, supplemented or otherwise modified from time to time, (4) that certain Omnibus Amendment to Exit Fee Agreements, dated as of May 17, 2023, by and among SLR, the lenders party thereto, and Borrower, as amended, amended and restated,

supplemented or otherwise modified from time to time and (5) that certain Second Amended and Restated Fee Letter, dated as of May 17, 2023, by and among SLR, the lenders party thereto, and Borrower, as amended, amended and restated, supplemented or otherwise modified from time to time.

(d) This Amendment is not a novation and the terms and conditions of this Amendment shall be in addition to and supplemental to all terms and conditions set forth in the Loan Documents. Nothing in this Amendment is intended, or shall be construed, to constitute an accord and satisfaction of Borrower's Obligations under or in connection with the Loan Agreement and any other Loan Document or to modify, affect or impair the perfection or continuity of Collateral Agent's security interest in, (for the ratable benefit of the Secured Parties) security titles to or other liens on any Collateral for the Obligations.

6. **CONDITIONS**. For purposes of determining compliance with the conditions specified in Section 3, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless Collateral Agent shall have received notice from such Lender prior to date hereof specifying its objection thereto.

7. **RELEASE**. In consideration of the agreements of Collateral Agent and each Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, on behalf of itself and its successors, assigns, and other legal representatives, hereby fully, absolutely, unconditionally and irrevocably releases, remises and forever discharges Collateral Agent and each Lender, and its successors and assigns, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, Lenders and all such other persons being hereinafter referred to collectively as the "**Releasees**" and individually as a "**Releasee**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which Borrower, or any of its successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment, including, without limitation, for or on account of, or in relation to, or in any way in connection with the Loan Agreement, or any of the other Loan Documents or transactions thereunder or related thereto. Borrower understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. Borrower agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

8. **NO RELIANCE**. Borrower hereby acknowledges and confirms to Collateral Agent and the Lenders that Borrower is executing this Amendment on the basis of its own investigation and for its own reasons without reliance upon any agreement, representation, understanding or communication by or on behalf of any other Person.

9. **RESERVED.**

10. **BINDING EFFECT**. This Amendment binds and is for the benefit of the successors and permitted assigns of each party.

11. **GOVERNING LAW**. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

12. **COMPLETE AGREEMENT; AMENDMENTS**. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements

with respect to such subject matter. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

13. **SEVERABILITY OF PROVISIONS**. Each provision of this Amendment is severable from every other provision in determining the enforceability of any provision.

14. **COUNTERPARTS**. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Amendment. Delivery of an executed counterpart of a signature page of this Amendment by facsimile, portable document format (.pdf) or other electronic transmission will be as effective as delivery of a manually executed counterpart hereof.

15. **LOAN DOCUMENTS**. This Amendment and the documents related thereto shall constitute Loan Documents.

16. **ELECTRONIC EXECUTION OF CERTAIN OTHER DOCUMENTS**. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by Collateral Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year specified at the beginning hereof.

BORROWER:

ALIMERA SCIENCES, INC.

By: /s/ Rick Eiswirth
Name: Rick Eiswirth
Title: President and Chief Executive Officer

[Signature Page to Seventh Amendment to Loan and Security Agreement]
[Signature Page to Seventh Amendment to Loan and Security Agreement]

COLLATERAL AGENT AND LENDER: SLR

INVESTMENT CORP.

By: /s/ Anthony Storino
Name: Anthony Storino
Title: Authorized Signatory

[Signature Page to Seventh Amendment to Loan and Security Agreement]
[Signature Page to Seventh Amendment to Loan and Security Agreement]

LENDERS:

SUNS SPV LLC

By: /s/ Anthony Storino
Name: Anthony Storino
Title: Authorized Signatory

SCP PRIVATE CREDIT INCOME FUND SPV LLC

By: /s/ Anthony Storino
Name: Anthony Storino
Title: Authorized Signatory

SCP PRIVATE CREDIT INCOME FUND L.P.

By: /s/ Anthony Storino
Name: Anthony Storino
Title: Authorized Signatory

SCP PRIVATE CREDIT INCOME FUND BDC SPV LLC

By: /s/ Anthony Storino
Name: Anthony Storino
Title: Authorized Signatory

SCP PRIVATE CREDIT INCOME BDC LLC

By: /s/ Anthony Storino
Name: Anthony Storino
Title: Authorized Signatory

SCP PRIVATE CORPORATE LENDING FUND SPV LLC

By: /s/ Anthony Storino
Name: Anthony Storino
Title: Authorized Signatory

SCP PRIVATE CORPORATE LENDING FUND L.P.

By: /s/ Anthony Storino
Name: Anthony Storino
Title: Authorized Signatory

[Signature Page to Seventh Amendment to Loan and Security Agreement]
[Signature Page to Seventh Amendment to Loan and Security Agreement]

SCP CAYMAN DEBT MASTER FUND SPV LLC

By: /s/ Anthony Storino
Name: Anthony Storino
Title: Authorized Signatory

SCP SF DEBT FUND LP

By: /s/ Anthony Storino
Name: Anthony Storino
Title: Authorized Signatory

SLR CP SF DEBT FUND SPV LLC

By: /s/ Anthony Storino
Name: Anthony Storino
Title: Authorized Signatory

[Signature Page to Seventh Amendment to Loan and Security Agreement]
[Signature Page to Seventh Amendment to Loan and Security Agreement]

Annex A

SCHEDULE 1.1

Lenders and Commitments

Term A Loan

Lender	Term Loan Commitment	Commitment Percentage
SLR Investment Corp.	[***]	[***]
SUNS SPV LLC	[***]	[***]
SCP Private Credit Income Fund SPV LLC	[***]	[***]
SCP Private Credit Income BDC SPV LLC	[***]	[***]
SCP Private Corporate Lending Fund SPV LLC	[***]	[***]
SCP Cayman Debt Master Fund SPV LLC	[***]	[***]
SCP SF Debt Fund LP	[***]	[***]
SLR CP SF Debt Fund SPV LLC	[***]	[***]
TOTAL	**$42,500,000.00**	**100.00%**

Term B Loan

Lender	Term Loan Commitment	Commitment Percentage
SLR Investment Corp.	[***]	[***]
SUNS SPV LLC	[***]	[***]
SCP Private Credit Income Fund SPV LLC	[***]	[***]
SCP Private Credit Income BDC SPV LLC	[***]	[***]
SCP Private Corporate Lending Fund SPV LLC	[***]	[***]
SCP Cayman Debt Master Fund SPV LLC	[***]	[***]
SCP SF Debt Fund LP	[***]	[***]
TOTAL	**$2,500,000.00**	**100.00%**

Term C Loan

Lender	Term Loan Commitment	Commitment Percentage
SLR Investment Corp.	[***]	[***]
SCP Private Credit Income Fund SPV LLC	[***]	[***]
SCP Private Credit Income BDC SPV LLC	[***]	[***]
SCP Private Corporate Lending Fund SPV LLC	[***]	[***]
SCP Cayman Debt Master Fund SPV LLC	[***]	[***]
SCP SF Debt Fund LP	[***]	[***]

TOTAL	**$2,500,000.00**	**100.00%**

Term D Loan

Lender	Term Loan Commitment	Commitment Percentage
SLR Investment Corp.	[***]	[***]
SCP Private Credit Income Fund LP	[***]	[***]
SCP Private Credit Income BDC LLC	[***]	[***]
SCP Private Corporate Lending Fund SPV LLC	[***]	[***]
SCP Private Corporate Lending Fund LP	[***]	[***]
SCP SF Debt Fund LP	[***]	[***]
TOTAL	**$20,000,000.00**	**100.00%**

Term E Loan

Lender	Term Loan Commitment	Commitment Percentage
SLR Investment Corp.	[***]	[***]
SCP Private Credit Income Fund LP	[***]	[***]
SCP Private Credit Income BDC LLC	[***]	[***]
SCP Private Corporate Lending Fund LP	[***]	[***]
SCP SF Debt Fund LP	[***]	[***]
TOTAL	**$5,000,000.00**	**100.00%**

Term Loans (Aggregate)

Lender	Term Loan Commitment	Commitment Percentage
SLR Investment Corp.	[***]	[***]
SUNS SPV LLC	[***]	[***]
SCP Private Credit Income Fund LP	[***]	[***]
SCP Private Credit Income Fund SPV LLC	[***]	[***]
SCP Private Credit Income BDC LLC	[***]	[***]
SCP Private Credit Income BDC SPV LLC	[***]	[***]
SCP Private Corporate Lending Fund LP	[***]	[***]
SCP Private Corporate Lending Fund SPV LLC	[***]	[***]
SCP Cayman Debt Master Fund SPV LLC	[***]	[***]
SCP SF Debt Fund LP	[***]	[***]
SLR CP SF Debt Fund SPV LLC	[***]	[***]
TOTAL	**$72,500,000.00**	**100.00%**

EXHIBIT 31.1

CERTIFICATION

I, Richard S. Eiswirth, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alimera Sciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2024

/s/ Richard S. Eiswirth, Jr.
Richard S. Eiswirth, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Elliot Maltz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alimera Sciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2024

/s/ Elliot Maltz
Elliot Maltz
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Alimera Sciences, Inc. (the Company), does hereby certify, to the best of such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 (the Form 10-Q) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2024

/s/ Richard S. Eiswirth, Jr.

Richard S. Eiswirth, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 14, 2024

/s/ Elliot Maltz

Elliot Maltz
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. This certification "accompanies" the Form 10-Q to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.